This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

+ *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
+ *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
+ *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
+ *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at `http://books.google.com/`

Econ
4528
68.10

Campbell - The True Greenback - 1868

Econ 4528.68.10

Harvard College Library

BOUGHT WITH GIFTS RECEIVED
THROUGH THE COMMITTEE
APPOINTED BY THE BOARD
OF OVERSEERS TO VISIT THE
DEPARTMENT OF ECONOMICS

The True Greenback.

A. Campbell.

1868

THE TRUE GREENBACK;

OR

The Way to Pay the National Debt

WITHOUT TAXES,

AND EMANCIPATE LABOR.

BY A. CAMPBELL.

CHICAGO:
PRINTED AT THE REPUBLICAN BOOK AND JOB OFFICE, 93 WASHINGTON ST.
1868.

Econ 4528.68.10

HARVARD COLLEGE LIBRARY
GIFT OF THE
OVERSEERS COMMITTEE
TO VISIT THE
DEPARTMENT OF ECONOMICS
1922-1930

A BILL

To Establish a Uniform Currency, Provide for the Management and Liquidation of the National Debt, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury of the United States, or such officer as may be authorized, be, and he is hereby, authorized and required to issue Treasury certificates, not bearing interest, in denominations of one, two, three, five, ten, twenty, fifty, one hundred, five hundred, and one thousand dollars, which Treasury certificates shall be receivable in payment of all debts and demands of every kind due, or which may become due, to the United States, and of all claims or demands against the United States of every kind whatsoever, (except that portion of the bonded debt created prior to the first day of July, one thousand eight hundred and sixty-one, and the interest and principal of the national debt which has been by law expressly made payable in coin,) and shall also be lawful money and a legal tender in the payment of all debts, public and private, within the United States, and shall be receivable for, or convertible into, the interest-bearing bonds of the United States, authorized to be issued by this act, when presented at the Treasury Department of the United States in sums of not less than one hundred dollars.

Sec. 2. *And be it further enacted*, That the Secretary of the Treasury of the United States, or such other officer as may be authorized by law, be, and is hereby, required to issue bonds of the United States in denomination of not less than one hundred dollars nor more than ten thousand dollars bearing lawful interest, and payable or redeemable in Treasury certificates, authorized to be issued and declared lawful money of the United States by this act, when presented to the Treasury Department of the United States at any time after three months from the date thereof: *Provided*, That bonds shall be dated on the first of January, April, July, and October.

Sec. 3. *And be it further enacted*, That the bonds hereby authorized, and all other interest-bearing obligations of the United States issued after the passage of this act, shall bear interest at the rate of three per centum per annum, payable semi-annually in the Treasury certificates or lawful money authorized by this act, until otherwise provided by law: *Provided*, That Congress may change the rate of interest on the bonds hereby authorized, and on all other interest-bearing obligations of the United States issued after the passage of this act, when in their judgment the public interest would be promoted thereby; but no law making any alteration in the rate of interest on the public debt shall take effect for six months after its passage.

Sec. 4. *And be it further enacted*, That the Secretary of the Treasury, or such other officer as may be authorized by law, be, and is hereby, required to pay all the outstanding bonds or other obligations of the United States created since the first of July, one thousand eight hundred and sixty-one, when the same shall become due and payable, or due and redeemable at the pleasure of the Government, in the Treasury certificates hereby authorized to be issued, or

to give in exchange therefor the interest-bearing bonds authorized to be issued by this act, at the pleasure of the owner of any such bond or other obligation of the United States, except when it has been expressly provided by law that such bond or other obligation shall be paid in coin; and the Secretary of the Treasury is hereby authorized and directed from time to time, as the same may be required, to purchase with the Treasury certificates, or interest-bearing bonds hereby authorized to be issued, by sealed bids or otherwise, as may be most advantageous to the public interest, the coin necessary to pay the interest and principal of the bonds and other obligations of the United States which have by law been expressly made payable in coin; and the Secretary of the Treasury is hereby directed to give notice, by publication in two newspapers published in Washington city, to the holders of any such outstanding bonds or other obligations of the United States to present the same at the Treasury Department for such payment or exchange within five months from the date of the publication of such notice, or at the time the same may thereafter become due and payable, or redeemable at the pleasure of the Government, and the interest shall cease to accrue on all such bonds and other obligations of the United States not presented for such payment or exchange within the time before mentioned, or from the time any such bond or obligation shall thereafter become due and payable, or redeemable at the pleasure of the Government.

SEC. 5. *And be it further enacted*, That the Secretary of the Treasury, or such other officer as may be authorized by law, be, and he is hereby, directed to procure, by having the same manufactured to order, or otherwise, the paper and other material necessary for the printing of the Treasury certificates and bonds hereby authorized to be issued, and to cause plates and dies to be engraved in the best manner to guard against counterfeiting and fraudulent alteration, and to have printed therefrom and numbered such quantity of said Treasury certificates and bonds and of such denominations as may from time to time be required for the transaction of the business of the Treasury of the United States; the said Treasury certificates and interest-bearing bonds shall have such devices and statements, and shall be in such form, and have signatures written or engraved thereon, as the Secretary of the Treasury may determine upon, and the expenses necessarily incurred in procuring said Treasury certificates and bonds shall be included with and defrayed in the same manner as the ordinary expenditures of the Government.

SEC. 6. *And be it further enacted*, That in order to prevent and punish counterfeiting and fraudulent alterations of the Treasury certificates and bonds authorized to be issued by this act, all the provisions of the sixth and seventh sections of the act entitled "An act to authorize the issue of the United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States," approved February the twenty-fifth, one thousand eight hundred and sixty-two, as far as applicable, apply to the Treasury certificates, and interest-bearing bonds hereby authorized to be issued, in like manner as if the said sixth and seventh sections were herein incorporated and hereby adopted as additional sections of this act; and the provisions and penalties of the said sixth and seventh sections shall extend and apply to all persons who shall imitate, counterfeit, make, or sell any paper such as that used, or provided to be used, for the Treasury certificates, or bonds to be prepared in the Treasury buildings, and to all officials of the Treasury Department engaged in engraving or preparing the Treasury certificates and bonds hereby authorized to be issued, and to all official and unofficial persons in any manner employed under the provisions of this act.

SEC. 7. *And be it further enacted*, That so much of the act entitled "An act to provide a national currency secured by a pledge of United States stocks, and to provide for the circulation and redemption thereof," approved February twenty-fifth, one thousand eight hundred and sixty-three, and so much of "An act to provide a national currency secured by a pledge of United States bonds,

and to provide for the circulation and redemption thereof," approved June third, one thousand eight hundred and sixty-four, and also so much of all acts amendatory of either of the before mentioned acts as authorizes the Secretary of the Treasury, Comptroller of the Currency, or other officer or agent of the Government, to deliver circulating notes to any banking association, be, and the same are hereby, revoked and repealed.

SEC. 8. *And be it further enacted*, That it shall be the duty of the Secretary of the Treasury, and he is hereby directed, to notify, within thirty days after the passage of this act, by publication or otherwise, all banking associations organized under the acts of which this act is amendatory, to return to the Treasury Department of the United States all circulating notes heretofore delivered to such associations, or any of them, upon pledge of United States stocks or bonds, within six months after the passage of this act; and when any such association shall return its circulating notes in sums of not less than one thousand dollars, it shall be the duty of the Secretary of the Treasury to deliver to such association a just proportion of the amount of the stocks or bonds deposited to secure the redemption of the circulating notes of such banking association: *Provided*, That in case any such banking association shall neglect or fail to return to the Treasury Department the whole or any part of the circulating notes delivered to such association within six months from the passage of this act, then, and in every such case of neglect or failure, interest shall cease to accrue on all stocks or bonds deposited by any such association to secure the redemption of the circulating notes delivered to such association: *Provided, also*, That in case any such banking association shall neglect or fail to return to the Treasury Department the whole or any part of the circulating notes delivered to such association within two years from the passage of this act, then, and in every such case, it shall be the duty of the Secretary of the Treasury to declare the stocks or bonds remaining in the possession of the Government deposited by such association forfeited to the Government, and to redeem the outstanding notes of circulation of such association in the Treasury certificates authorized by this act.

SEC. 9. *And be it furter enacted*, That it shall be unlawful for any banking association organized under either of said acts of which this act is amendatory, after six months from the passage of this act, to pay out or put in circulation any circulating medium or currency which is not made a legal tender and declared lawful money of the United States by act of Congress; and in case any such banking association shall violate the provisions of this section, it shall be the duty of the Secretary of the Treasury to declare the stocks or bonds remaining in the possession of the Government, deposited by such association, forfeited to the United States, and to redeem the outstanding notes of circulation of such association.

SEC. 10. *And be it further enacted*, That after ninety days from the passage of this act it shall not be lawful for the Secretary of the Treasury, or other disbursing officer or agent of the Government, to pay out the circulating notes of any banking association organized under the acts to which this is amendatory, or the United States legal-tender notes heretofore issued; but shall discharge or pay all the bonded and other indebtedness of the United States, of every kind and nature incurred or contracted to be paid since the first day of July, eighteen hundred and sixty-one, or which may hereafter be incurred, in the Treasury certificates authorized to be issued and declared to be lawful money by this act, or give in exchange for all such indebtedness the interest-bearing bonds authorized to be issued by this act, at the pleasure of the owner or holder of such indebtedness, (except where it has been by law expressly provided that payment shall be made in coin.)

SEC. 11. *And be it further enacted*, That it shall be the duty of the Secretary, or such other officer or officers as may be authorized by law, to keep a correct record of all the Treasury certificates and interest-bearing bonds issued under or in pursuance of this act, describing the same by their numbers and

denominations; also of all the bonds and other evidences of debt of the United States, and of the United States legal-tender notes redeemed, and the circulating notes of banking associations returned to the Treasury Department, describing the same in like manner, and publish monthly reports showing the amount of Treasury certificates and interest-bearing bonds issued, and the amount of bonds and other evidences of debt, and United States legal-tender notes redeemed, and of the circulating notes of banking associations returned to the Treasury Department; and shall cancel and destroy all such bonds and other evidences of debt, and United States legal-tender notes so redeemed, and circulating notes of banking associations so withdrawn from circulation, and shall make annual reports thereof to Congress, as now is, or hereafter may be, provided by law: *Provided*, That the Treasury certificates and bonds authorized to be issued by this act shall not be so destroyed except they shall be mutilated or rendered unfit for use.

The great problem presented to the American people for solution at this time is the adjustment of the relations and rights of capital and labor. The mighty conflict of arms through which we have recently passed has resulted in the destruction of chattel slavery. It has given to the slave a nominal freedom but it has not emancipated labor. Laborers in all sections and in all departments of useful industry are still suffering from a system of oppression imposed on it by our iniquitous monetary laws, which, though more subtle and refined, is not less unjust and oppressive.

This, like the system of chattel slavery, must be overthrown before the natural rights of the industrial classes can be established on a firm and enduring basis. In the discussion of this important question from the labor standpoint, we must be careful not to run to the opposite extreme and overlook the fact that capital or accumulated labor has rights as well as present labor, by so doing we should be guilty of the same wrong we charge upon the capitalists. Both have rights which the Government is bound to recognize and protect; all that we should or can fairly demand of the Government is the establishment of such a wise and just standard as will effect the equitable distribution of the products of labor between non-producing capital and productive industry according to the labor or service performed in their production.

The first thing to be done is to ascertain the true source of these evils and then to provide a sufficient remedy for their removal. I propose to show that they are the legitimate results of the institution of money on a wrong principle and with too great power over labor and property, and that they can be removed by the institution of money on true principles which the people have an undoubted right to do. Our Government is a democratic republic founded on the principle of inherent sovereignty in the people. It is their right to legislate upon all matters and subjects in such manner as to them may seem most likely to affect their prosperity and happiness, subject only to the principles of equity or natural justice. It will not, I think, be denied that the design of the framers of our organic law was to institute a government that would give to each citizen the largest political and religious liberty compatible with the safety and good order of society, and which would at the same time strictly preserve and protect the rights of property.

We have indubitable evidence that the mere democratic form of goverment is not of itself sufficient to secure the people in their natural rights, for while our Government is theoretically founded on the democratic principle, and the people have a nominal freedom, yet there is no civilized government on the face of the globe where money takes from labor so much of its earnings or where the standard of distribution is so manifestly unjust.

Labor has improved our farms, built our cities, constructed our ships, canals and railroads, erected our factories, furnaces and mills; all intellectual

development and moral culture are likewise the result of labor, yet the greater portion of the American people toil day by day for a mere subsistence and are destitute of the time and means necessary for social and intellectual culture. Look where you will upon society, you will see those who build palatial residences living in hovels, those who manufacture the finest cloths clothed in the coarsest fabrics, those who produce in abundance the most wholesome and delicate food subsisting on the poorest diet, and all to a great extent destitute of the ordinary comforts and conveniences of life. While another class, few in number, and not physically, intellectually or morally better than the average of society, acquire the larger portion of the products of labor. All candid men will acknowledge that the wealth is not distributed in accordance with either the physical, mental or moral usefulness of those who obtain it. "Some cause has been operating with continued and growing effect to separate production from the producer. The wrong is evident, but neither legislators nor philanthropists have traced it to its true source, hence they have not been able to provide any sufficient plan for its removal."

Besides this evil of the centralization of the wealth in the possession of the few, every few years our country is visited with a monetary crisis, prostrating all branches of productive industry and legitimate enterprise, deranging commercial operations, retarding the development of our natural resources, and preventing us from becoming self-sustaining and independent as a nation. This disparity in the conditions of society, these monetary crises and commercial disasters, are at one time attributed to over production, at another time to short production; again they are assigned to a want of sufficient tariff on imports, and still again to idleness and extravagance among the industrial classes. We have greatly increased production by the invention of labor-saving machines, and raised and lowered tariffs, without producing any permanent beneficial results. The wealth continues to centralize in fewer hands, the number of industrious poor, who own no real and but little personal property, to increase, and the monetary crises and commercial revulsions continue their periodical visits more frequently and with increased power. None of the causes assigned have ever satisfactorily accounted for these wrongs, or pointed to any sufficient plan for their removal, the reason for which is that they do not reach the true source of the evil which will be found in the unfair distribution of the products of labor between non-producing capital and productive labor, caused by unjust legislation in the institution of money.

It is not enough to point out the source of these wrongs and the remedy for their removal, but it is equally necessary to present a specific plan for reducing the remedy proposed to practice. I shall, therefore, take as the basis of my argument the bill introduced in Congress by Hon. S. F. Cary, entitled, a "*bill to establish a uniform currency, provide for the management and liquidation of the national debt*, and for other purposes." In treating this subject I shall adopt the following general arrangement:

1. Money, its nature and properties.

2. The rate of interest the governing power in the distribution to capital and labor, showing that the present rates are greatly in excess of the increase in the national wealth, and consequently oppressive and unjust to the producing classes.

3. The present monetary system, showing that it is founded on the aristocratic principle of government, and incompatible with the spirit of our democratic institutions; destructive of the principle of freedom and equality upon which they are founded, and without warrant in the constitution; that it is unjust and oppressive to the producing classes, and that labor is not and cannot be properly rewarded while it is continued in operation.

4. The monetary system contemplated by the bill showing that it is founded on the democratic principle of government, adapted to the genius of our institutions and in strict harmony with the letter and spirit of the constitution; that it will distribute products equitably according to the labor or service

performed in their production, and, without violating any principle of equity, restore to the industrial classes their natural rights, of which they are now deprived by the present iniquitous system.

VALUE.

Money being made to represent, measure and exchange "*value*," it becomes important in the discussion of the subject to *clearly understand* the definition of this term.

Value consists in those properties that render anything useful. The value of property is estimated by its usefulness and not by the cost of its production.

For instance: one man, by good management, may build a mill at a cost of ten thousand dollars that is capable of manufacturing two hundred barrels of flour daily; whilst another may, by shiftless management, expend twenty thousand dollars in the construction of one that will make only one hundred barrels a day. The one costing ten thousand dollars being the most useful, is certainly the most valuable, and so with everything else that is produced by labor.

There are two kinds of value; actual value and legal value. Actual or inherent value belongs to anything that can be employed for any useful purpose without being exchanged for any other thing. Legal value belongs to anything which represents or which can be exchanged for things of real value. Food, clothing, &c., are possessed of inherent value. The dollar or money which cannot be used for the supply of our wants or comforts without being exchanged for something of actual value, possesses only a legal value.

MONEY—ITS NATURE AND PROPERTIES.

Money is the medium for the exchange of property and products, and in the legal tender in the payment of all debts, public and private. No debt can be paid with property or with individual notes, except by consent of the creditors; but when *money* is tendered, all creditors are compelled to receive it in full satisfaction of debts. To effect a just exchange of property, it must be endowed by national law, with the following powers, to wit: *Power to represent value; power to measure value; power to accumulate value by interest; and power to exchange value.* These properties or powers are inherent in no natural substance and must be conferred on the material used for money by law. Money has no material value, only an immaterial or legal value.

POWER OF MONEY TO REPRESENT VALUE.

Money is a legal representative of property, the real value is in the property, and money is only the legal medium by which the value is represented and exchanged. The representative is always distinct from the thing represented, and the presence of the representative implies the absence of the thing represented. The power to represent is always independent of the natural or inherent power of the representative, and does not change the original capabilities or qualities of the agent. Delegated power gives the agent, person or thing authority over other persons or things which by his natural capabilities he does not possess. For instance, one person cannot give a note, bond or deed binding on another or the property of another, but he may be clothed with power to execute a note, bond or deed binding on another or the property of another, but this delegated power does not lesson or change his capabilities as an individual. The sole use of money being to exchange property, to be fitted for this purpose, it must be constituted a legal representative of actual value, for it has no inherent value that makes it an equivalent to products or labor.

POWER OF MONEY TO MEASURE VALUE.

Measures are definite quantities of length, size, weight, and value. The pound weight, yard stick and bushel are measures of quantity, and the dollar or money is the measure of value.

In business transactions the length, weight, quantity and value of all articles are settled by certain measures fixed upon by the government.

When the yard stick measures cloth it does not determine its own length, and when money exchanges property, it does not determine its own value. Both the length of the yard stick and the value of the money were previously determined by the laws which instituted them and gave them power to measure length and value which are their sole objects and uses as measures.

If the measures of quantity be variable they will commit frauds when used, and if the value of the dollar be fluctuating, it will likewise commit frauds when used to measure the value of labor or property. Measures to be strictly just must equitably determine quantities and values, whether of land, labor or commodities.

Money is the public measure of value, and the government is bound to make it just and uniform, that it may correctly determine the value of all commodities.

THE POWER OF MONEY TO ACCUMULATE VALUE BY INTEREST.

This power would seem to be essential to its existence, for no one would exchange productive property for money if it did not represent production.

The rate or amount of interest that the dollar commands determines its value, and makes it equal to a given amount of actual value of property as much as the amount of service a horse can perform determines his value, or as the net proceeds of a farm determines its value. The value of the horse and the farm is natural to them, and consists in their power to produce. The value of the money is artificial and depends on its legal power to represent actual value and to accumulate by interest. A farm that produces a net annual income of a thousand dollars is more valuable than one that yields but five hundred dollars; so a dollar that can be loaned for twelve per cent. is more valuable than one that can be loaned for but six per cent.

The value of money as much depends upon its legal power to be loaned for an income, as the value of the farm and horse does upon their natural power to produce. Any increase or diminution of the power of money to accumulate by interest, increases or diminishes proportionally its value; and consequently its power over labor and property. To keep the value of money uniform, the rate of interest must be kept uniform. Doubling the power of the dollar to accumulate, quadruples the value of the dollar. It may still retain the name of *dollar*, but it will possess four times its former power over property and labor.

Increasing the rate of interest in arithmetical progression, increases the accumulative power in geometrical progression.

The right to fix the value of money is as much reserved by the government as the right to fix the length of the yard, and consequently it is fraudulently used when the rate of interest upon it, which determines its value, is altered by individuals. Although the value of money is now professedly fixed by the government, we can form no correct idea of what its value will be at the end of three or six months hence.

The value of money is no more fixed or regulated by the laws ordering each piece of money to be coined of a certain weight and kind of metal than the length of the yard would be fixed by ordering it to be made of a certain weight and kind of wood, without regard to its length.

Money properly instituted would be as definite and uniform as the latter measure, and would no more govern the amount of production than the yard stick does the quantity of cloth manufactured. It could be about as easily procured to facilitate all desirable production, trade and improvements, as yard sticks to measure any quantity of cloth.

THE POWER OF MONEY TO EXCHANGE VALUE.

When money is made a public representative of value and the interest fixed at a just rate, it is fitted to perform the function of money which is the equitable exchange of property. All goods, wares and merchandise, although they may be exchanged for money a number of times, soon find a place where they are consumed; but money never reaches a point where it can be used except as a tender in exchange for property.

The object of the institution of money is to facilitate the exchange of commodities, and this it could never do unless it were possessed of as much legal value as the thing for which it is to be exchanged possesses actual value. If a farmer has five hundred bushels of wheat with which he wishes to buy sugar, coffee, tea, molasses, clothing, and so forth, for his family, he will not sell the wheat for five hundred dollars, unless the money will be a legal equivalent for all the articles for which he wishes to exchange his wheat. He does not want the money to keep, he wants it to exchange for other articles that he needs to use or consume, and he sells it for money because the money is a legal equivalent for every species of property. It would be very difficult for him to divide up the wheat and barter for the various articles in different places, and the wheat is not a legal tender. But he can divide up his money in amounts to suit all his purchases and the money is a legal tender in payment.

MONEY A LEGALIZED AGENT.

It might seem that sufficient had already been said respecting the nature and properties of money to convince the most skeptical that its value is legal and wholly independent of its material. But the popular error that its value and usefulness as a medium of exchange depends upon the value of the material of which it is made, and that the so-called precious metals, "gold and silver," possess some indefinable property or qualification that fits them above all other substances for the material of money, is so fixed and grounded in the minds, so interwoven with the very nature of many persons, that they cannot, they will not, yield assent to the plainest propositions, until the last peg upon which they can hang a prejudice is removed; and as nations have assumed that the value of gold and silver as money is innate, and have established their monetary laws upon this false assumption, it becomes necessary, in order to remove the preconceived opinions and unfounded prejudices existing in the popular mind and correct this traditional error, to present the subject in all its bearings and elaborate it in all its phases.

The erroneous idea that the value of money inheres in its material is at the bottom of the many false theories respecting its rightful institution.

It is the cause of its alternate abundance and scarcity, of the high and fluctuating rates of interest, and has led to the adoption of the many false systems of banking, by which the legitimate business of the country has been so often deranged and the industrial wealth-producing classes robbed of the products of their labor. And while this mistaken notion is entertained by the people and their law-makers, these evils must continue. But when this error is eradicated from the public mind, and the mystification by which political economists have concealed the true nature of money are dispelled, it will be found that its true character and powers are very simple, and need only to be clearly and fairly stated to meet the approval of the common mind. And the main obstacle in the way of its institution on true principles will be removed, and its rightful institution will do more to lift the weight from the backs of the industrial classes and encourage the development of our resources than all the co-operative associations that have ever been formed or bankrupt and tariff laws that have ever been enacted. The public will then know that the present centralizing power of money is as gross an imposition upon the common sense of man as it is upon the common rights of labor and property.

The material of money—gold, silver, paper, or any other substance—is, hen, a legalized agent, made to express the four properties or powers of money and render them available in business transactions.

The natural powers of any material do not make it money. Its powers nd agency as money are delegated to it by law in addition to its natural apabilities. If gold had not been selected for the material of money, and a egal power given to it to exchange property and accumulate interest for its se, a man would have as little need for more gold than he requires for utensils nd ornaments as he has for more clothes than he can wear or more tools than e can use. But when it is made the agent of these legal powers, it becomes ecessary to acquire the gold in order to discharge debts; and the quantity of he metal being limited, its owners are enabled to extort from the necessitous very high price for its use. Common usage has applied the term measure o the material, by means of which length, weight, etc. are ascertained. It atters not whether the yard-stick and pound weight be of wood, iron, or old; length and weight are the only properties necessary to be expressed by hem, and, possessing the standard limits, their material is a matter of indifference. Of course, some material is indispensable, but the only thing that akes one substance preferable to another is its superior convenience. So of oney; it is a matter of indifference by what material the powers are xpressed, for the material is merely the substance fixed upon by law. The ommon opinion that the material of a currency must be something scarce nd difficult to procure, that the limited amount may render it permanently aluable, arises from a misconception of money, the powers and functions of hich are to represent and exchange property and products. It should, herefore, be limited in volume or amount only by the amount of property nd products to be represented and exchanged. Money, when rightly instituted, is evidence of service or value rendered the government or people in heir political or corporate capacity, and which all are bound to accept in atisfaction of debts. It is a public mortgage or legal lien on all the property or sale in the nation, in the same sense and to the same extent that a private ortgage is upon the property specified in it. For example: A borrows of B en thousand dollars, to secure the payment of which he executes a mortgage n one thousand acres of land. In case of failure on the part of A to pay the nterest or principal according to the terms of the mortgage, B can foreclose his mortgage and transfer A's title to the land to himself. Now, in this transaction, it will be noticed that the value of B's mortgage does not depend upon the value of the material upon which it is written or printed, but upon the legal interest it gives him in the land and finally upon the productiveness or value of the land. If the land should prove unproductive and valueless, B's mortgage would be worthless; for he could foreclose it upon no other property except that named in it. The money which A receives is a better mortgage; for he can foreclose it upon any ten thousand dollars worth of property for sale in the nation that he desires—that is, he can transfer the title from the former owner to himself. It will be universally admitted that it would be unwise and injurious to private interests to provide by law that a private mortgage should only be a lien to the extent of the value of the material upon which it is written or printed, and it is equally detrimental to the public interest and convenience to apply this principle to the public mortgage or money. Their legal effect is the same, and it would seem clear that the same principle should apply to both.

The power to make money and regulate its value includes the power to control the value of all the property in the nation and to effect its distribution, and is therefore an essential attribute of sovereignty. This principle seems to have been understood by the founders of the republic. For the constitution the United States declares Congress shall have power "to coin money, regulate the value thereof and of foreign coin, and to fix the standard of weights and measures; to declare war, grant letters of marque and reprisal;" "that no

State shall enter into any treaty, alliance or confederation, grant letters of marque and reprisal, coin money, emit bills of credit, make anything but gold and silver *coin* a tender in payment of debts." It will thus be seen that the founders of the republic recognized the power to make money and regulate its value as among the essential attributes of sovereignty, equally so with the power to conclude treaties, enter into alliances and confederation. For the constitution expressly grants all these powers to Congress, and prohibits the States from exercising any of them. These powers are indispensable to and inseperable from the sovereignty: for no government can be permanently maintained, nor can a wise administration of justice be secured, where they are not exercised by the sovereignty. While Congress has an undoubted right to exercise the powers here enumerated, and all others granted to it by the constitution, there is not a shadow of authority given to that body to delegate them or any of them to any class of individuals or corporations, or in any way to divest itself for one moment of the right to exercise them. The States or People granted these powers to Congress for the public good, and not for the benefit of any privileged class of individuals or corporations. If the public interest could not be secured when these sovereign powers were exercised by the States, it is not clear to the common mind how it can be promoted when they are wielded by a class of selfish corporations. There is no one of these powers more carefully guarded by the constitution than that to make money and regulate its value.

There is certainly not one particle more authority given to Congress to delegate the sovereign power to make money and regulate its value than there is to delegate the power to declare war, grant letters of marque and reprisal, or to fix the standard of weights and measures. By the terms of the grant Congress is bound to institute money on such a wise and just basis that it shall be under the direct control of the sovereign people who produce the values it is made to represent measure and exchange, that the quantity may at all times be adequate to the amount of property or products to be represented and exchanged, so that it shall be a true measure of value, and distribute products equitably between non-producing capital and labor. This it has utterly failed to do. It has by the delegation of this sovereign power to a class of irresponsible bankers and usurers shamefully—nay criminally—violated this sacred trust, and compelled the producing classes to accept in exchange for the products of their labor and to transact their business with a currency possessing none of the legal properties or powers of money.

A currency that will not pay any debt, public or private, without the consent of the creditor, or that will not legally discharge a judgment rendered by the highest as well as the lowest judicial tribunal in the nation, is not in a legal sense money.

This power no bank note, whether issued by State or national authority, ever possessed; and Congress should not and cannot, without committing an act of perfidy, permit, much less sanction, their emission or circulation. To do so is to give a few soulless banking corporations and avaricious usurers the power to rob the wealth-producing classes at pleasure. I have the almost unbroken authority of the courts for saying that the law knows no such distinction as paper money or gold money—hard money or soft money. They have decided that whatever the supreme law-making power of the nation declares to be a legal tender, or money without regard to the quantity or quality of its material, is the end of the law, and must be accepted in satisfaction for all judgments or liens; this, too, even where the claims are founded upon contracts for the payment of gold dollars.

Congress has definitely fixed the length of the yard and the size of the bushel—but it has not fixed the value of money. The rate of interest determines the value of money; its value is no more fixed by the quantity or quality of its material than the length of the yard or the size of the bushel is fixed by the quantity or quality of their wood. It would be thought unwise and unjust

if Congress should provide that the yard-stick should be made of a rare and costly material, or a few merchants authorized to regulate its length; yet it would not be half so injurious as to empower a few bankers and usurers to regulate the value of money. In the former case the merchant would be brought face to face with the purchaser, and the fraud could be seen and the buyer would have the means of self-protection, while in the latter case the power is invisible, operating silently and unseen, the oppressor being seldom brought in contact with the injured party, and even if the wrong should be detected the party injured would have no means of redress, because it is enforced by national law.

It is claimed by the advocates of a specie currency that the so-called precious metals require about an equal amount of labor for their production the world over, and therefore they are the true measures of all values—that it is the labor incorporated into them that gives them their value as money. If this be true of these metals, it should be true of all the productions of labor. If A produce by one hundred days' mining gold to the value of two hundred dollars, the government will stamp it as money for him; and should B produce by one hundred days labor two hundred bushels of wheat, which the government purchases of him for two hundred dollars, and he is willing to take a piece of paper stamped as money by the government "two hundred dollars," I can see no valid objection against it doing so. It would represent the same amount of labor, and if it had the same legal powers as the gold, it would perform all the functions of money equally as well, coextensive with the jurisdiction of the law, and this is all that coin can do.

Or if D be the owner of a government bond for one thousand dollars, which he wishes to convert into money, and is willing to exchange it for a leral tender Treasury certificate, it is difficult to conceive of any good reason why the government should not make the exchange rather than subject him to a heavy tax for the benefit of some banker.

While what has been said respecting the nature and properties of money may be admitted as true, so far as our home business is concerned, it may be objected that the adoption of such a monetary system would operate injuriously upon our foreign trade; that as all commercial nations have legalized the so-called precious metals as money, we cannot maintain commercial relations with them unless we also legalize them as money. A sufficient answer to this objection is, that our coin is not current or legal money at the standard fixed by our laws in any foreign nation. They only receive it at the standard fixed by their laws, and greatly prefer our bullion to our coin. Besides, legitimate commerce is the exchange of the products of the territory and labor of one nation for those of another, and is never carried on upon legal values, but always upon actual values. We could not add to our comfort or happiness nor increase the national wealth by exchanging our eagles for British sovereigns, money loses its legal powers or value whenever it passes beyond the jurisdiction of the law instituting it. If we did not use these metals for a circulating medium we would have more of them to ship abroad as bullion to settle balances or to exchange for articles of real value.

Again, it is claimed that as all civilized nations have adopted these so-called precious metals for the material of money, if we do not we must return to a state of barbarism. Let me say to this class of philosophers that there is no cause of alarm on this point, for just the reverse of this proposition is true. The idea of the value of money, inhering in its material, is only a relict of barbarism adopted by kings as a means of retaining their "divine right to rule and despoil the people of their substance." It is the aristocratic idea of money and is inimical to liberal institutions, destructive of the natural rights of the people, and must disappear before the advance of civilization and christianity. While all barbarous nations cling to this erroneous idea, all civilized nations are fast coming into the practice of treating it as merely a legalized agent.

If we would maintain our democratic institutions, we must "democratize" money by instituting it on such a basis that it shall be under the control of the sovereign people—the servant and not the master and oppressor of labor.

THE RATE OF INTEREST THE GOVERNING POWER IN THE DISTRIBUTION TO CAPITAL AND LABOR.

This is the most important function of money, and one which is probably less clearly understood by the mass of mankind than any other of its powers, which doubtless arises from the fact that it is an invisible power operating silently and unseen. Money, whether of gold, silver or paper, is visible; but the power of interest is invisible, and yet gathers to itself things visible as metals are attracted to a magnet.

This is not only the most governing and influential power, but it is also the most unjust and deceitful of all earthly powers. It entails upon millions excessive toil, poverty and want, while it keeps them ignorant of the cause of their sufferings—for with their tacit consent it silently transfers a large share of their earnings to the hands of others who have never lifted a finger to perform any productive labor!

Physical and intellectual labor employed in production and in the distribution of the products of labor, as well as in the useful professions and callings, is the true and only source of wealth and intellectual culture and development. Labor provides for all the physical and intellectual wants of mankind. Money produces nothing; it only gathers up things already produced, taking products from producers and giving them to its owner.

There are but two purposes to which the products of labor or wealth can be applied. One is the payment of the rent or interest on the capital employed, the other is the payment of labor.

The rate of interest maintained on loans of money determines what proportion of the products of labor shall be awarded to capital for its use, and what proportion shall be paid to the laborers for their productions; the rate of interest on money likewise governs the rent or use of all property. If laborers pay to capital as rent or interest all their surplus products, the laborers, as a body, must work for a mere subsistence of food, clothing and shelter.

"To give an idea to what extent the power of interest operates, it is only necessary to say that all the money lent on bonds and mortgages by individuals, by insurance and trust companies—all lent for United States, State, county, city, railroad, canal, and other bonds to make public improvements, whether these improvements be made by corporations, by the State, or by individuals, also all the money lent by banks, brokers and individuals on promissory notes—all these loans are operating with a like centralizing power against the producers and distributers of the national wealth and in favor of the money-lenders, or money. This power also establishes a like rate per cent. to be paid for the use of all property, real and personal, all the goods on hand in the nation and in process of being manufactured, are under tribute to this centralizing power. It is an unavoidable power, because it is instituted and enforced by national law, and is the basis upon which all market values are founded." Every dollar of interest paid for the purposes named, as well as for all other purposes whatever, is as much a charge upon labor as the taxes paid for the support of the government, and every farthing paid beyond an equitable rate is a legal fraud upon the wealth-producing classes, for the government is morally bound to institute money so that it shall distribute the products of labor equitably between non-producing capital and producing labor.

But the question naturally arises, how are we to ascertain what would be a just rate of interest on money. Happily we are not without sufficiently reliable data to approximate the true rate, nearly enough for all practical purposes. Agriculture is the leading interest and foundation of the national

wealth, and the increase in this important branch of industry may be taken as the true index in all other departments, and the division between landlord and tenant may be safely adopted as the rule of distribution between capital and labor in all other branches of productive industry.

The following is an inventory of the farms and products of agriculture of the nation as per census reports of 1850 and 1860:

1850.

4,896,050	horses and mules	@ $35.50	$ 173,809,775
18,378,907	neat cattle	12.00	220,547,604
21,723,220	sheep	1.31	28,457,418
30,354,213	swine	4.00	121,416,852
100,485,994	bushels wheat	1.00	100,485,994
606,259,917	bushels corn and rye	50	303,129,954
146,584,179	bushels oats	33⅓	48,861,393
113,032,614	acres improved land	16.09	1,818,694,769
180,528,000	acres unimproved land	8.04½	1,452,347,760
			$4,267,751,473

1860.

7,400,322	horses and mules	@ $35.50	$ 262,711,431
25,616,019	neat cattle	12.00	307,392,228
22,471,275	sheep	1.31	29,437,370
33,512,867	swine	4.00	134,051,468
173,104,924	bushels wheat	1.00	173,104,924
859,894,120	bushels corn and rye	50	429,947,060
172,643,185	bushels oats	33⅓	57,881,062
163,110,720	acres improved land	16.09	2,624,451,485
244,101,818	acres unimproved land	8.04½	1,963,800,126
			$6,022,777,154
Deduct value for 1850			4,267,751,473
Total increase in lands and products in 10 years			$1,755,025,681

or forty-one per cent. for the decade, being a slight fraction over three and one-third per cent. per annum. But as this was the most prosperous decade we have had since the foundation of the government, three and one-third per cent. per annum will be found quite up to the average increase.

Estimating the property, real and personal, in the nation on the 4th of July, 1776, at one thousand millions dollars ($1,000,000,000), and allowing it to have increased at the rate of three and one-third per cent. per annum, the amount would now be twenty billions four hundred and twenty-six millions dollars ($20,426,000,000), which, according to the census report, is a very close approximation to its present value. Now a renter cannot afford to pay over one-third of the net proceeds and keep up all repairs for a good and well-improved farm. If, then, the division of products between capital and labor in this most important branch of productive industry be adopted as the standard of distribution between capital and labor in all other departments of useful industry, it will be seen that the true rate of interest on money should be but one and one-ninth per cent. per annum. While this may be thought by many too low a rate, and that evil consequences would result from its adoption at once, it will, I am quite confident, be found very much nearer the true rate than those now extorted from the producing classes by the Shylocks.

To get a clear idea of the accumulative power of money, and the effect of the different rates of interest in the distribution of the products of labor, we must take the longest possible period in our history. The first permanent settlement on our territory was made at Jamestown, in Virginia, in 1607, or two hundred and sixty-one years ago. I will suppose these settlers to have

purchased of the mother country the entire territory of the United States for ONE DOLLAR, and to have given their obligation therefor, bearing ten per cent. interest, payable, interest and principal, two hundred and sixty-one years after date. With the interest compounded annually, this obligation would fall due the present year, and would amount to the enormous sum of sixty-five billion four hundred and seventy-four million dollars, ($65,474,000,000,) over three times the assessed value of the property of the United States, real and personal.

This result should, I think, convince the most strenuous advocates for the high rates of interest that no people or nation can pay ten per cent. interest without robbing labor and centralizing the wealth in the hands of a few capitalists, and that the sanction of this rate by law is legalized robbery—nothing more, nothing less. Had the same obligation borne three per cent., the amount would be two thousand two hundred and forty-five dollars, ($2,245,) and with the rate at two and a half per cent., the amount would be but six hundred and twenty-eight dollars, ($628.) But it may be claimed that the resources of the country were not developed as rapidly during our colonial condition as since the achievement of our independence. I will, therefore, compare the increase in the national wealth since that period with the accumulative power of money with interest at the four several rates of four, five, seven, and ten per cent. per annum. For this purpose, I will estimate the national wealth, including real and personal property, at one thousand millions of dollars on the 4th of July, 1776. Allowing it to have increased at the rate of three and one-third per cent. per annum, the amount would be on next Independence Day twenty billions four hundred and twenty-six millions dollars, ($20,426,000 000,) which is a very close approximation to the present value of the national wealth. At four per cent., it would be thirty-six billions nine hundred and fifty million dollars, ($36,950,000,000.) At five per cent., it would be eighty-nine billions four hundred millions dollars, ($89,400,000,000.) At seven per cent., it would be five hundred and seven billion dollars, ($507,000,000,000;) and at ten per cent., it would be six thousand four hundred and ninety-seven billion dollars, ($6,497,000,000,000.) Comment on these figures is unnecessary. No honest, intelligent man will claim that the wealth of the nation has increased at the rate of even four per cent. per annum since the declaration of independence.

The present condition of the country is similar to what it was at the close of the revolutionary war in 1783. We have contracted an enormous national debt, the annual interest on which is greater than that paid by any government on the globe, every dollar of which, interest as well as principal, when paid, must be wrung from the hard earnings of labor. No matter how cunningly taxes are laid, they must in the end all be borne by labor. But it is proposed to bequeath this boon to posterity. In order that we may have a correct idea of the value and "blessedness" of this bequest, let us suppose the national debt at the close of the revolutionary war, 1783, to have been the same per capita as at present, and our ancestors to have funded it in bonds bearing six per cent., payable, interest and principal, eighty-five years after date. Our population is at this time thirty-seven million five hundred thousand, (37,500,000,) and our debt two billion five hundred million dollars, ($2,500,000,000,) or sixty-six and two-thirds dollars per capita. Our population was in 1783 three million two hundred and forty thousand, (3,240,000,) which would have made the national debt at that time two hundred and sixteen million dollars, ($216,000,000,) which, with the accumulation of interest compounded annually, would now amount to sixty-one billion two hundred and eighty-one million dollars, ($61,281,000,000,) or one thousand six hundred and thirty-four dollars ($1,634) per capita, being nearly three times the present value of the entire national wealth.

It may, however, be objected that eighty-five years would be too long an extension of the time of payment. The proposition to defer the payment of

the principal of our present debt for fifty years has been made in Congress, and meets with favor from the bankers, usurers, and bondholders, who now control the financial legislation of the nation. I will, therefore, give the result for that period, with interest at the ten several rates of one and one-ninth, two, three, four, five, six, seven, eight, nine, and ten per cent. But if postponed for that length of time, it is safe to assume that it will be extended for an indefinite period. National debts are an institution of comparatively modern date, and history shows when once a nation adopts the policy of mortgaging the future earnings of labor to capital, the burden is more likely to increase than diminish, for the ability of a heavy or over-taxed people to pay is lessened year by year.

The following calculations will show this to be true in our case, as long at least as the present rates of interest are retained.

N. B.—It may be proper to remark, in this place, that in the preceding as well as in the following calculations I have compounded the interest annually; this is the natural law governing increase by percentage; there is practically no such thing as simple interest. The fact that the interest is paid annually does not stop the accumulative power of money or lighten the burdens of the wealth-producing classes; for when earned and paid, it is reloaned and goes to gathering up more of the products of labor, taking them from the producers and giving them to the non-producers.

Estimating the population at thirty-seven million five hundred thousand, and the national debt at two billion five hundred million dollars, ($2,500,000,000,) it would be sixty-six and two-thirds dollars per capita, and within a slight fraction of twelve per cent. of the present value of all the property of the nation.

The population has in the past increased at the rate of three per cent. per annum. Should this rate of increase continue for the next fifty years, it would be one hundred and sixty-four millions four hundred and forty-five thousand, (164,445,000.) The wealth of the nation has in the past increased at the rate of three and one-third per cent. per annum. With the same rate of increase for fifty years to come, the amount would be one hundred and four billion seven hundred and twenty-six million dollars, ($104,726,000,000.)

With the interest on the debt at one and one-ninth per cent. per annum, the amount at the end of fifty years would be four billion three hundred and thirty-one million dollars, ($4,331,000,000,) or four and one-eighth per cent. of the national wealth, or twenty-six dollars per capita.

At two per cent., the amount would be six billion seven hundred and twenty-seven million dollars, ($6,727,000,000,) or six and four-tenths per cent. of the national property, or forty-one dollars per capita. At three per cent., the amount would be ten billion nine hundred and sixty-three million dollars, ($10,963,000,000,) or ten and a half per cent. of the national wealth, or sixty-six and two-thirds dollars per capita. At four per cent., the amount would be seventeen billion seven hundred and eighty million dollars, ($17,780,000,000,) or seventeen per cent. of the national wealth, or one hundred and eight dollars per capita. At five per cent., the amount would be twenty-eight billion five hundred and seventy-eight million dollars, ($28,578,000,000,) or twenty-seven and one-fourth per cent. of the national wealth, or one hundred and seventy-four dollars per capita. At six per cent., the amount would be forty-six billion one hundred and thirteen million dollars, ($46,113,000,000,) or forty-four per cent. of the national wealth, or two hundred and eighty dollars per capita. At seven per cent., the amount would be seventy-three billion three hundred and ninety-six million dollars, ($73,396,000,000,) or seventy and one-fourth per cent. of the national wealth, or four hundred and forty-six dollars per capita. At eight per cent., the amount would be one hundred and seventeen billion nine million dollars, ($117,009,000,000,) or twelve billion two hundred and eighty-three million dollars ($12,283,000,000) more than the whole national wealth. The property of the nation would amount to but eighty-nine

and a half per cent. of the debt, and the debt would be seven hundred and twelve dollars per capita. At nine per cent., the amount would be one hundred and eighty-six billion one hundred and seventy-two million dollars, ($186,172,000,000,) or eighty-one billion four hundred and forty-six million dollars ($81,446,000,000) more than the whole wealth of the nation. The national property would amount to but fifty-six and one-third per cent. of the debt. The debt would be eleven hundred and thirty-two dollars ($1,132) per capita. At ten per cent., the amount would be two hundred and ninety-three billion five hundred and forty-eight million dollars, ($293,548,000.000,) or one hundred and eighty-eight billion eight hundred and twenty-two million dollars ($188,822,000,000) more than all the property real and personal in the nation, or the national property would amount to but thirty-five and two-thirds per cent. of the debt. The debt at the end of that period would be one thousand seven hundred and eighty-five dollars ($1,785) per capita.

It will thus be seen that our debt of two thousand five hundred million dollars ($2,500,000,000), at eight per cent. for fifty years, will absorb all the property in the nation, and leave an indebtedness of twelve billion two hundred and eighty-three million dollars ($12,283,000,000), or seventy-five dollars per capita. At nine per cent. the debt, after deducting the value of the national property, would be eighty-one billion four hundred and forty-six million dollars ($81,446,000,000), or four hundred and ninety-five dollars per capita, and at ten per cent. the deficit, after deducting all the property then in the nation, would be one hundred and eighty-eight billion eight hundred and twenty-two million dollars ($188,822,000,000), equal to one thousand one hundred and forty-eight dollars ($1,148) for each man, woman and child then in the nation. While these results may be very pleasing to bankers and bondholders and tax consumers generally, they certainly present to the industrial classes or tax payers a gloomy prospect in the future, and should, I think, be sufficient to convince any intelligent, candid mind that the effect of our present monetary system and financial policy must inevitably be to oppress, degrade and ultimately enslave the whole producing population of this nominally free government.

The foregoing exhibit relates to the public debt alone, but this is but a small moiety of the injustice and wrong done to the enterprising, industrial, wealth-producing classes by our iniquitous monetary system. The national debt now, or soon will, consist mainly of bonds bearing six per cent. coin interest, exempt from State and municipal tax, and payable twenty years after date, and due and redeemable at the pleasure of the government after five years from the date of their issue (commonly known as five-twenties). With gold at 140 the interest is equal to full eight per cent. clear of taxes in the money of trade, which is equal to fully ten per cent. in ordinary business investments subject to taxation.

The national debt being a mortgage on the whole property and labor of the nation, with the certainty of the prompt payment of the interest, must make the public securities the most desirable form of investment, and the rate of interest paid by the government must therefore become the lowest standard in all business transactions. It would be the extreme of folly to assume that railroad manufacturing and other corporations and individuals whose enterprises are always attended with more or less uncertainty could borrow at lower rates than those paid by the government.

For the purpose of showing the effects of the different rates of interest on money in the distribution of the products of labor between non-producing capital and productive industry, I will present the results at the ten several rates of one and one-ninth, two, three, four, five, six, seven, eight, nine and ten per cent. for one year, ten years and fifty years.

Kellogg, who has given the subject of the accumulative power of money and the distribution of wealth more attention and treated it with greater ability than any man of the age, says that before the war as much as one-half

of the wealth of the nation was owned by five per cent. of the population, and these, for the most part, the non-producers, who loaned their money or rented their property to the wealth-producing classes.

The effect of the war has been to diminish production, increase the rate of interest on money, and to centralize the wealth more rapidly. I, therefore, think it quite safe to estimate that as much as sixty per cent. of the wealth is now owned by five per cent. of the population. If any one doubts this statement, let him take any city or town with a population of ten thousand or more—take a city, for instance, with a population of twenty thousand, and see if he cannot find two hundred of the most wealthy citizens who own sixty per cent. of the wealth or property; and, allowing five to the family, this would make one thousand, which is five per cent. on twenty thousand.

FOR ONE YEAR.

The present value of the property of the nation, real and personal, is a little below twenty-one billion dollars ($21,000,000,000,) but for the sake of convenience in calculation I will call it twenty-one billions, ($21,000,000,000.) Sixty per cent., or twelve billion six hundred million dollars ($12,600,000,000) of it is owned by the capitalists who rent or loan it to the producing classes. The other forty per cent., or eight billion four hundred million dollars ($8,400,000,000) is owned by those who use or employ it themselves. The annual increase in the national wealth at three and one-third per cent. would be seven hundred million dollars ($700,000,000); as the producing classes own forty per cent. of the national property they are entitled to forty per cent., or two hundred and eighty million dollars ($280,000,000,) of the increase. This would leave to be divided between the capitalists who own the other twelve billion six hundred million dollars ($12,600,000,000) of national property and those who borrow their money or rent their property the remaining four hundred and twenty millions dollars ($420,000,000) of increase in the national wealth. Now with interest at one and one-ninth per cent. the capitalists would receive one billion four hundred million dollars ($1,400,000,000), and the industrial classes who borrow their money and rent their property would receive the remaining two hundred and eighty million dollars ($280,000,000,) which added to their income on the eight billion four hundred million dollars ($8,400,000,000) of property owned by the producing classes, would make their annual savings five hundred and sixty million dollars ($560,000,000) equal to four-fifths of the increase in the national wealth. With interest at two per cent. capital would receive two hundred and fifty-two million dollars ($252,000,000) and labor four hundred and forty-eight million dollars ($448,000,000). With interest at three per cent., capital would receive three hundred and seventy-eight million dollars ($378,000,000), and labor three hundred and twenty-two million dollars ($322,000,000). Four per cent would give capital five hundred and four million dollars ($504,000,000), and labor one hundred and ninty-six million dollars ($196,000.000). At five per cent. capital's share would be six hundred and thirty million dollars ($630,000,000), and labor's share seventy million dollars ($70,000,000). At six per cent. the accumulations on capital's share would be seven hundred and fifty-six million dollars ($756,000,000), or fifty-six million dollar ($56,000,000) more than the entire increase in the national wealth. It will be seen that at this, the lowest rate legalized in any State, capital not only absorbs all the annual surplus products of labor, but brings the producing classes in debt, or rather takes from them fifty-six million dollars ($56,000,000) of the property they possessed at the beginning of the year. The accumulations on capital's share at seven per cent. would be eight hundred and eighty-two million dollars ($882,000,000) or one hundred and eighty-two million dollars ($182,000,000) more than the whole surplus earnings of labor. At eight per cent. the increase on capital's share would be ten hundred and eight million dollars ($1,008,000,000), or three

hundred and eight million dollars ($308,000,000) in excess oft he increase in the national wealth. At nine per cent. it would be one thousand one hundred and thirty-four million dollars ($1,134,000,000), or four hundred and thirty-four million dollars ($434,000,000) more than the whole increase in the national wealth. And at ten per cent. the accumulations on capital's share would be one thousand two hundred and sixty million dollars ($1,260,000,000), which after absorbing all the products of industry and enterprise would leave the producing classes indebted to non-producing capital five hundred and sixty million dollars ($560,000,000).

FOR TEN YEARS.

Assuming the twenty-one billion dollars ($21,000,000,000) of national wealth to increase at the rate of three and one-third per cent. per annum for ten years, the amount would be twenty-nine billion one hundred and forty-nine million dollars, ($29,149,000,000,) which, with interest at the several rates named, would be owned by capital and labor in the following proportions:

With interest at one and one-ninth per cent. per annum, labor would own fifteen billion sixty-one million dollars, ($15,061,000,000,) or fifty-one and two-thirds (51⅔) per cent., and capital fourteen billion eighty-eight million dollars, ($14,088,000,000,) or forty-eight and one-third (48⅓) per cent. of the national wealth.

At two per cent., capital would own fifteen billion one hundred and thirty-six million dollars, ($15,136,000,000,) or fifty-two per cent. nearly, and labor fourteen billion thirteen million dollars, ($14,013,000,000,) or forty-eight per cent. At three per cent., capital would own sixteen billion nine hundred and and thirty-three million dollars, ($16,933,000,000,) or fifty-eight per cent., and labor twelve billion two hundred and sixteen million dollars, ($12,216,000,000,) or forty-two per cent. of the national wealth. At four per cent., capital would own eighteen billion six hundred and fifty-one million dollars, ($18,651,000,000,) or sixty-four per cent., and labor ten billion four hundred and ninety-eight million dollars, ($10,498,000,000,) or thirty-six per cent. of the national wealth. At five per cent., capital would own twenty billion five hundred and twenty-four million dollars, ($20,524,000,000,) or seventy and one-half per cent., and labor eight billion six hundred and twenty-five million dollars, ($8,625,000,000,) or twenty-nine and one-half per cent. of the national wealth. At six per cent., capital would own twenty-two billion five hundred and seventy-five million dollars, ($22,575,000,000,) or seventy-seven and one-half per cent., and labor six billion five hundred and eighty-four million dollars, ($6,584,000,000,) or twenty-two and one-half per cent. of the national wealth. At seven per cent., capital would own twenty-four billion six hundred and eighty-six million dollars, ($24,686,000,000,) or eighty-four and two-thirds per cent., and labor four billion four hundred and sixty-three million dollars, ($4,463,000,000,) or fifteen and one-third per cent of the national wealth. At eight per cent., capital would own twenty-seven billion two two hundred and two million dollars, ($27,202,000,000,) or ninety-three and one-third per cent., and labor one billion nine hundred and forty-seven million dollars, ($1,947,000,000,) or six and two-thirds per cent. of the national wealth. At nine per cent., capital's share, with the accumulations of interest thereon, would amount to twenty-nine billion seven hundred and fourteen million dollars, ($29,714,000,000,) or five hundred and sixty-five million dollars ($565,000,000) more than the entire national wealth. At ten per cent., capital's share, with the interest thereon, would amount to thirty-two billion six hundred and eighty-one million dollars, ($32,681,000,000,) or three thousand five hundred and thirty-two million dollars ($3,532,000,000) more than the value of the whole property in the nation.

FOR FIFTY YEARS.

Estimating the increase in the national wealth at three and one-third per

cent. per annum for fifty years, the amount would be one hundred and four billion seven hundred and twenty-six million dollars, ($104,726,000,000,) which, with interest at the several rates named, would be owned by capital and labor in the following proportions at the end of that period.

With interest at one and one-ninth per cent. capital would own twenty-one billion eight hundred and twenty-eight million dollars ($21,828,000,000), or twenty-one per cent., and labor eighty-two billion eight hundred and ninety-eight million dollars ($82,898,000,000), or seventy-nine per cent. of the national wealth. At two per cent. capital would own thirty-three billion nine hundred million dollars ($33,900,000,000), or thirty-one per cent., and labor seventy billion eight hundred and twenty-six million dollars ($70,826,000,000), or sixty-nine per cent. of the national wealth. At three per cent. capital would own fifty-five billion two hundred and fifty-seven million dollars ($55,257,000,000), or fifty-three per cent., and labor forty-nine billion four hundred and sixty-nine million dollars ($49,469,000,000), or forty-seven per cent. of the national wealth. At four per cent. capital would own eighty nine billion six hundred million dollars ($89,600,000,000), or eighty-six per cent., and labor fifteen billion one hundred and twenty-six million dollars ($15,126,000,000), or fourteen per cent. of the national wealth. At five per cent. capital's share would amount to one hundred and forty-four billion six hundred and thirteen million dollars ($144,613,000,000), or thirty-nine billion eight hundred and eighty-seven million dollars ($39,887,000,000) more than the whole national wealth at that time. At six per cent. capital's share would amount to two hundred and thirty-two billion three hundred and fifty-seven million dollars (232,357,000,000), or one hundred and twenty-four billion dollars ($124,000,000,000) more than the value of the whole property in the nation at that time. At seven per cent. capital's share would amount to three hundred and sixty-two billion eight hundred and ninety-three million dollars ($362,893,000,000), or two hundred and fifty-eight billion one hundred and sixty-seven million dollars ($258,167,000,000), being over three times the value of the whole national property. At eight per cent. capital's share would amount to five hundred and ninety-one billion two hundred and sixteen million dollars ($591,216,000,000), or nearly six times the value of the entire property in the nation, real and personal. At nine per cent. capital's share would amount to nine hundred and thirty-one billion nine hundred and ninety-seven million dollars ($931,997,000,000), or eight hundred and twenty-seven billion two hundred and seventy-one million dollars ($827,271,000,000) more than the whole national wealth. At ten per cent. capital's share, with the accumulations of interest, would amount to one thousand four hundred and eighty-five billion eighty-two million dollars ($1,485,082,000), or fourteen times the value of the whole property of the nation at the end of the fifty years.

It might seem that I had unnecessarily elaborated this branch of the subject. But I think the necessity for presenting it in these various forms will be admitted when it is considered that the principle regulating the distribution of property is the most important one connected with the whole science of political economy, and that but few, even among our law-makers, have any correct conception of the accumulative power of money or interest, and its effect in the distribution of the products of labor or its influence on society. We have in our past legislation neglected, if not ignored, political arithmetic; but the great financial questions now pressing for solution cannot be met and wisely disposed of without a thorough knowledge and full comprehension of the lows governing the distribution of property.

There is a powerful awakening of the masses on this subject, not only in our own country but in all civilized governments, and the investigations now going on will continue until the laws affecting distribution are established on principles of equity.

It is then highly important that both capitalists and laborers should clearly understand the causes now disturbing the relations existing between them, in

order that they may be enabled to proceed intelligently in the application of the proper remedy, otherwise there is imminent danger of results highly detrimental to the interests of both and dishonorable to the nation.

I am persuaded that a thorough investigation and careful examination of this subject cannot fail to convince any candid, disinterested mind that the present accumulative power of money greatly exceeds the increase in the nattonal wealth by natural production, and is tending inevitably and rapidly to the impoverishment and degredation of the industrial classes and the demoralization of society; that it is the unfair distribution of the products of labor between capital and labor, sanctioned and sustained by our iniquitous monetary laws, which causes the inequalities and most of the other evils in society.

It is this which overtaxes the mental energies and physical powers of the producing classes, and condemns them to lives of unremitting toil, deprived of the time and means necessary for social enjoyment, intellectual development and moral culture.

It is this mainly which peoples our almshouses and asylums; fills our prisons and houses of prostitution; causes most of the suicides and furnishes most of the victims for the gallows. It is not reasonable to suppose men's morals will be pure while we make laws that deprive them of their physical rights. It is this, too, which has rendered our wonderful natural resources a sealed treasure and made us dependent upon nations less favored in this respect for the common necessaries of life. It is this that creates and sustains our railroads and other corporate monopolies which are at present laying such heavy contributions on the producing classes, for so long as these companies have to pay eight to ten per cent. for the money to construct their roads and other improvements, they must collect it from those who patronize them; the same is true of all manufacturing and other enterprises, as well as of all merchants and middle men. The interest paid on the money employed in their business becomes as much a part of the cost of their productions as the wages paid to the laborers, and must either be deducted from the wages of the laborers or charged to the consumers. It is this which causes the periodical monetary crises and commercial revulsions which so frequently sweep over the country, paralyzing enterprise, prostrating all branches of productive industry, deranging commercial operations, lowering the standard of commercial integrity and making us little less than a nation of gamblers. These monetary crises and commercial revulsions are but the protest of productive industry against demands it cannot meet and burdens it cannot bear.

This is the root of these evils which laborers have been suffering for ages, and it must be extirpated before they can ever gain their natural rights. The enterprising wealth-producing classes have sought to avert these evils and better their condition by almost every means but the true one. Labor-saving machines have been invented to increase production, and every possible means of improving the quality of the various productions of the soil and labor have been introduced, and new avenues of transit have been multiplied to cheapen transportation, but all to little or no avail. These classes are still condemned to toil on in comparative poverty. The increase in productions, the improvement in quality, with the increased means of transportation, have but tended to increase the extravagance, augment the wealth of the few capitalists, and impoverish the industrial classes. Kellogg says truly, that "with the present accumulative power of interest there is no more chance of the laboring classes gaining their rights by combining their labor to increase production than there would be hope of success in combining their labor to reverse the course of the rivers and make them to run to the tops of the mountains, and pile up the waters on their summits. The law of gravitation in the latter case would not be more sure to overpower all their labor and frustrate all their plans than the present governing power of the interest on money is sure to gather up the

increased production and add it to the wealth of the capitalists. The fault is in the law which governs the distribution of property, and combinations to increase production would no more affect any general change in the distribution than combinations against the law of gravitation would affect a change in its general governing powers. The evil is legislative and the remedy must be legislative."

PRESENT MONETARY SYSTEM.

The seventh section of the bill provides for the repeal of so much of the national bank act as authorizes the associations to issue circulating notes. We have been so long accustomed to the use of bank notes that we have come to look upon them as money, if not, indeed, the only legitimate money of trade. It would, therefore, be unreasonable to demand the assent of the public to their withdrawal without offering some good and sufficient reason for the change. This I will now proceed to do.

The history of our monetary system, from the foundation of the republic, is a history of repeated wrongs and usurpations all having in direct object the subversion of our democratic republican institutions, and the establishment of a money aristocracy to rule over, oppress, and despoil the wealth-producing classes of their substance and reduce them to a state of practical serfdom.

Our monetary laws, unlike our government, are founded on the aristocratic idea that the few should rule the many; that the many should toil for the few; that producing labor should be the slave of money or non-producing capital. This principle was unfortunately engrafted into our system from ideas of money derived from the aristocratic governments of Europe; and the money aristocracy, by means of a bank charter from Congress, followed by like grants from the several States, secured the privilege and power to despoil the industrial classes of the fruits of their labor and talents. Clothed with this sovereign power, these enemies of right and justice were at once enabled to control the value of all the property in the nation, and to fix the rewards of labor in every department of useful occupation. This power they have wielded with an eye single to their own aggrandizement, regardless of the principles of justice and morality or of the interests and rights of the wealth-producing classes, and have in every possible way made every other interest, however important, subservient to their cupidity and avarice. They have expanded and contracted the volume of the currency, and repudiated their promises and obligations with impunity, in defiance of constitutions and laws, and maintained the rate of interest on money greatly above (at least three-fold) the rate of increase in the national wealth by natural production, thereby causing the periodical monetary crises and commercial revulsions, which have proved so highly detrimental to the producing and commercial interests of the nation. These disasters have regularly increased in frequency and power, each succeeding one following in quicker succession and with greater centralizing power, until, at the commencement of the rebellion, over one-half of the wealth was owned by less than five per cent., of the population, and these for the most part the class who had not aided, either physically or mentally, in its production, but acquired their wealth by means of the accumulations of interest, while the number of the industrial classes, who own no real and but little personal property, have regularly and rapidly increased.

When one of their schemes failed, they were ever ready with another, and each succeeding one has proved more injurious and oppressive than its predecessor.

The breaking out of the rebellion afforded the occasion for the full exhibition of the insatiable avarice of the bankers and usurers. Through previous unwise and vicious legislation they had control of the money interest of the nation. The government being in a great measure at their mercy, they seized with avidity this opportunity to render their power over it absolute. Their very first act made it manifest that they did not intend to share with the

industrial classes the burdens and sacrifices necessary for the preservation and maintenance of the government. Money was at that time abundant in our large commercial centres at from four to five per cent. on first-class securities.

The bonds of the government, bearing six per cent., subject to like taxation with other property, were at a premium of twenty per cent. The government asked for the loan of a few millions of dollars, and the bankers and usurers demanded and obtained a very much higher rate, and continued to make war upon the credit of the government until they purchased its securities bearing six per cent. at an average not exceeding sixty cents on the dollar. The Secretary of the Treasury, whether wittingly or unwittingly, soon became their agent, and has continued to act in that capacity up to the present time. They have dictated every monetary, financial, and revenue measure that has passed Congress, except the issue of Treasury notes or people's money, and it was this measure that sustained the credit of the government in the darkest hours of our troubles, and to it and it alone are we indebted for our financial success. This measure met with their opposition, and nothing but the uncertainty of the duration of the war induced them to permit its passage by Congress; for just as soon as it became evident that the rebellion would be overthrown at an early day, they brought forward their banking scheme, with the indorsement of the Secretary of the Treasury, and forced it through Congress under the pressure of "necessity." What that necessity was the people are ignorant of to this day; for the soldiers in the army, and all disinterested, patriotic citizens at home, were entirely satisfied with legal tenders, and preferred them to bank notes issued under any system, State or National. The present occasion does not afford the opportunity, nor is it in my judgment necessary to go into an extended review of the law. I shall, therefore, confine myself to a few of its more important provisions, which will serve to indicate its general character.

This so-called national banking system is founded on the same principle as the systems heretofore in operation, with greatly multiplied powers for mischief. In order to a clear understanding of its practical workings and power for oppressing the producing classes, we must consider it in connection with the laws authorizing the national loans and establishing the revenue system; for they are inseparably connected, and form each a part of a grand scheme for the subversion of the principles of freedom and equality upon which our institutions are founded. Among the prominent objections to these systems or schemes are—

1st. The banking law clothes the Secretary of the Treasury of the United States with unprecedented and dangerous powers. His control over the bureau of currency is well nigh absolute, without check or restraint from any other department of the government. Indeed, so far as the interests of the government and people are concerned, with but few and unimportant exceptions, these unrestricted powers prevail throughout the whole law.

The only channel through which the people, who are compelled to exchange their labor, products and property for these bank promises, can obtain any knowledge of the solvency of the different institutions issuing this currency, is the Secretary of the Treasury; for he has the sole power of choosing the time and appointing the agents to examine the association.

When one of these institutions fails, the Secretary of the Treasury will, without doubt, protect the interests of his friends, *the bankers and intelligent business men*, by giving them timely notice, and the government and those engaged in legitimate business will become the victims of their villainies. Besides under the revenue system, the bankers and bond-holders have their agents and spies clothed with authority to pry into the business affairs of each individual and corporation in the nation.

The law confers upon the associations general banking powers to the extent of three hundred million dollars ($300,000,000) which is a virtual delegation of the sovereign power to make money and regulate its value to a

class of irresponsible banking associations by which they can control the value of all the property in the nation, and make such division of the products of labor between non-producing capital and productive industry as their avarice may dictate, for the same influences which produced the passage of the bill in the first instance, will enable the bankers to secure any alteration or extension of powers they may demand. This is inimical to, if not wholly subversive of the principle of freedom and equality upon which our democratic republican institutions are founded.

The circulation of the associations is to be apportioned among the States and Territories by the Secretary of the Treasury, having due regard to the existing banking capital, resources and business of such States and Territories. The effect of this will be to give a few of the Eastern cities and villages the control of the currency of the nation, they having the major part of the existing banking capital.

The law authorizing the national loans exempts the government bonds from taxation, thereby releasing a large portion of the national wealth from its equitable proportion of the burdens of the government and creating a money aristocracy, alike unjust to the tax-payers and dangerous to our republican institutions. From what newspapers and politicians in the interest of this money oligarchy had and have to say in praise of "christian bankers and patriotic capitalists," coming to the aid of the government, it would be quite natural to conclude that the bankers gave the government some valuable consideration for the grant of these sovereign powers, or that the avaricious usurers had rendered it some disinterested service. But it will be seen that neither done anything of the kind, but on the contrary, that both took advantage of the government necessities to promote their selfish views and interests.

Government was instituted to protect life and property; each should therefore share its just and proper proportion of the sacrifices and burdens necessary for its maintenance and preservation.

At the commencement of our late troubles the government laid its strong arm on all those capable of doing military duty and compelled them to enter the ranks of the army. This was both necessary and right, for no government can be maintained when the sovereign has not the authority and power to command the life and property of the citizen or subject. Now the property and lives of the capitalists were preserved and are now at least equally protected by the government with the lives and property of those who perilled their lives and furnished the supplies for its maintenance.

Let us, then, examine the case of the so-called "patriotic capitalists and christian bankers," and see whether their claims to disinterested patriotism and exalted piety are well founded. Immediately preceding the rebellion, or just before the credit of the government was affected by it, the government bonds bearing six per cent. were at a premium of twenty per cent.; the mammon worshippers, moved doubtless by motives of patriotism and piety, commenced a systematic crusade against the credit of the government until they purchased its securities bearing six per cent. when the premium on gold averaged fully sixty per cent.

The bankers draw six per cent. in coin on the bonds deposited to secure the redemption of their currency, and receive ninety per cent. thereof in circulating notes. They have the use of the government deposits except the receipts from customs and in lieu of all taxes on their circulation, and the bonds deposited to secure the redemption of the same, and all other expenses incurred, under the law they are required to pay into the Treasury of the United States but one-half of one per cent. semi-annually. To put in circulation three hundred million dollars ($300,000,000) of currency would require the deposit of three hundred and thirty-three million three hundred and thirty-three thousand three hundred and thirty-three dollars ($333,333,333) of bonds, which with gold at sixty per cent. premium, would cost two

hundred and eight million three hundred and thirty-three thousand three hundred and thirty-three dollars ($208,333,333).

The bankers draw the interest on the bonds deposited, also on the three hundred million dollars ($300,000,000) of currency which they loan to the government or people at a rate of interest equal to six per cent. in coin, making a total of six hundred and thirty-three million three hundred and thirty-three thousand three hundred and thirty-three dollars ($633,333,333) upon which they draw six per cent. coin interest. This compounded annually for five years would amount to eight hundred and forty-seven million five hundred and forty-two thousand eight hundred and sixty-five dollars (847,542,865).

The taxes for national, state and municipal purposes are equal to three per cent. on all the property in the nation, we must therefore add to the latter amount three per cent. per annum for five years on three hundred and thirty-three million three hundred and thirty-three thousand three hundred and thirty-three dollars ($333,333,333) of bonds deposited to secure redemption of their currency. Fifty-three millions ninety-one thousand three hundred and fifty-eight dollars ($53,091,358), making a total of nine hundred million six hundred and thirty-four thousand two hundred and twenty-three dollars ($900,634,223). Deduct three hundred million dollars ($300,000,000) to redeem circulating notes, and one per cent. tax per annum for five years on three hundred million dollars ($300,000,000) of currency, equal to fifteen million three hundred and three thousand one hundred and fifty dollars ($15,303,150), total three hundred and fifteen million three hundred and three thousand one hundred and fifty dollars, ($315,303,150), and you have five hundred and eighty-five million three hundred and thirty one thousand and seventy-three dollars ($585,331,073) as the proceeds of these bankers' two hundred and eight millions three hundred and thirty-three thousand three hundred and thirty-three dollars ($208,333,333) of coin for five years.

Now had the two hundred and eight million three hundred and thirty-three thousand three hundred and thirty-three dollars ($208,333,333) been invested in government bonds previous to the breaking out of the rebellion, when they were at a premium of twenty per cent. it would have purchased one hundred and seventy-three million six hundred and eleven thousand one hundred and ten dollars ($173,611,110) of the bonds which with the interest compounded for five years would amount to two hundred and thirty-three million four hundred and fifty-four thousand four hundred and thirty dollars ($233,454,430).

This is what these capitalists would have realized from an investment in government securities at their value at the commencement of our national troubles. This deducted from five hundred and eighty-five million three hundred and thirty-one thousand and seventy-three dollars ($585,331,073) (the proceeds under the present system,) will give as the net gain of the christian bankers by the national calamity, three hundred and fifty-one million eight hundred and seventy-six thousand six hundred and forty-three dollars ($351,876,643), a sum sufficiently large, one would think, to induce the most incorrigible infidel to turn "christian banker." But this is not the gross profits of the bankers; it is only the amount they received beyond what they would have realized from their capital if the war had not occurred—the price of their patriotic piety.

I will now present the case of the "patriotic capitalists, at home and abroad," who purchased our bonds, and who, it is claimed, sacrificed so freely on the altar of the country. As before stated, the government securities, bearing six per cent., were at the commencement of the rebellion at a premium of twenty per cent. A thousand dollars would at this rate have purchased eight hundred and thirty-three dollars of the bonds, which, with the interest compounded thereon for five years, would amount to eleven hundred and fifteen dollars. If the capitalists should at the end of five years receive this

amount, they would have made no sacrifice or suffered no loss by the war; in other words, they would be just as well off as if it had not occurred. It is worthy of note that there were no sacrifices at these figures. The patriotism of these capitalists seems not to have moved until the premium on gold reached sixty per cent. and upward. At this rate, one thousand dollars in coin would have purchased sixteen hundred dollars ($1,600) of the government bonds, which, with interest compounded annually for five years, would amount to two thousand one hundred and forty-one dollars, ($2,141.) If from this sum be deducted eleven hundred and fifteen dollars, ($1,115,) the amount the capitalist's thousand dollars would have yielded in government securities at their value at the beginning of our national troubles, it will leave as his net profits on one thousand dollars ($1,000) for five years ten hundred and twenty-six dollars, ($1,026)—besides the benefit of exemption from taxes. This is the amount he will receive over and above what his capital would have yielded him if the rebellion had not taken place; in case the government shall break faith with the tax-payers by paying the principal of the five-twenties in coin.

But should the government keep faith with the tax-payers as well as with its creditors "at home and abroad," by paying the principal of the five-twenties in lawful money, according to the letter and spirit of the contract, the capitalists would still be large gainers by the national calamity. With gold at forty per cent. premium, they will receive eleven hundred and forty-three dollars ($1,143) in coin for the principal of their bonds; to which add five hundred and forty-one dollars ($541) interest received; total, sixteen hundred and eighty-four dollars, ($1,684.) Deduct eleven hundred and fifteen dollars, ($1,115,) the amount the thousand dollars would have yielded in government securities at their value before the war, and you have, as the price of their patriotism, a profit of five hundred and sixty-nine dollars ($569) on each thousand dollars they loaned the government, besides the benefit of the exemption of the bonds from taxation. But to get a correct idea of the extent of the injustice done to the industrial classes or tax-payers by these schemes, and of the magnitude of the fraud that will be perpetrated on them if the demand of the bond-holders for the payment of the principal of the bonds in coin shall be complied with, we must consider the subject in the aggregate.

There is now, or soon will be, one billion eight hundred million dollars ($1,800,000,000) of the public debt in five-twenties or six per cent. coin interest bonds. There are beside this some two or three hundred million dollars of other classes of interest-bearing indebtedness, but this form of our indebtedness is now and was at the time of the contraction of the debt the standard of value, and what is true of this is true of all other classes. The one billion eight hundred million dollars ($1,800,000,000), with the interest compounded annually for five years, will amount to two billion four hundred and eight million eight hundred and six thousand and forty dollars ($2,408,806,040). To which must be added the interest for five years on three hundred million dollars ($300,000,000) of circulating notes, equal to six per cent. in coin, or one hundred and one million four hundred and sixty-seven thousand six hundred and seventy-three dollars ($101,467,673), making a total of two billion five hundred and ten million two hundred and seventy-three thousand seven hundred and thirteen dollars ($2,510,273,713). This is what the bankers and bondholders claim and will receive in case the government shall break faith with the tax payers by complying with the unreasonable, unjust and unwarranted demand of the bondholders for the payment of the principal of the bonds in coin.

With the premium on gold at sixty per cent., the one billion eight hundred million ($1,800,000,000) of bonds cost the purchasers but one billion one hundred and twenty-five million dollars ($1,125,000,000). Now had the sum been invested in government bonds at the commencement of our troubles, when they were at a premium of twenty per cent., it would have purchased but nine hundred and thirty-seven million five hundred thousand dollars

($937,500,000) of the government securities, which, with interest compounded for five years, would amount to one billion two hundred and fifty-four million five hundred and eighty-six thousand four hundred and seventy-nine dollars ($1,254,586,479). This is just what the capital of these parties would have yielded them in government securities if the war had not occurred.

Deduct this sum from two billion five hundred and ten million two hundred and seventy-three thousand seven hundred and thirteen dollars ($2,510,273,713,) (the proceeds under the operation of the present monetary system and financial policy), and you have as the net profits of the bankers and bondholders by the national calamity one billion two hundred and fifty-five million six hundred and eighty-seven thousand two hundred and thirty-four dollars ($1,255,687,-234), this, too, exclusive of the benefit of the exemption of the bonds from taxation.

A very high price to pay for such doubtful patriotism and such questionable christianity. But this is not the full measure of the wrong done to the tax payers by this system; to get the extent of their loss we must compare the results under this system with what would have followed the issue of legal tenders instead of the bank currency. By the adoption of the latter policy the interest on three hundred million dollars ($300,000,000) of the bonds deposited to secure the redemption of the bank currency would have been saved, which, for five years, would amount to one hundred and one million four hundred and sixty-seven thousand six hundred and seventy-three dollars ($101,467,673); add this to the profits of the bankers and bondholders, as shown above, and you have one billion three hundred and fifty-seven million one hundred and fifty-four thousand nine hundred and seven dollars ($1,357,-154,907) as the burden unjustly and unnecessarily imposed on the tax payers, every dollar of which would have been saved if the so-called patriotic capitalists and christian bankers had only been content with their gains before the war without rendering the government any patriotic service whatever.

Now, if the Government shall keep faith with the tax-payers as well as with its creditors "at home and abroad," by paying the bonds in lawful money, according to the letter and spirit of the contract, the bond-holders and bankers will still be large gainers by the national calamity. With gold at forty per cent. premium, the discount on the one billion eight hundred million dollars ($1,800,000,000) of bonds would be five hundred and fourteen million two hundred and eighty-five thousand seven hundred and fourteen dollars, ($514,285,714.) This deducted from one billion two hundred and fifty-five million six hundred and eighty-seven thousand two hundred and thirty-four dollars, ($1,255,687,234,) their net profits, as shown in case the principal of the bonds shall be paid in coin, would leave them seven hundred and forty-one million four hundred and one thousand five hundred and twenty dollars ($741,401,520) in coin more than they would have realized on a like amount invested in government securities at their value before the commencement of our troubles, exclusive of taxes. The present value of the property in the nation does not exceed twenty-one billion dollars, ($21,000,000,000); three per cent. on this sum would be six hundred and thirty million dollars, ($630,000,000), and unquestionably the annual taxes for National, State and municipal purposes will reach this sum. Add for the exemption of the bonds from taxes three per cent. per annum, which for five years, on one billion eight hundred million dollars ($1,800,000,000) of bonds, will amount to two hundred and eighty-six million six hundred and ninety-five thousand one hundred and eighty-seven dollars, ($286,695,187); add this to their surplus as shown above, and you have as their net gain by the war, with the principal of the bonds paid in lawful money, ten hundred and twenty-eight million ninety-six thousand seven hundred and seven dollars, ($1,028,096,707)—estimated in coin. This is the profits these capitalists will realize over and above what their capital would have yielded them in government securities at their value before the war; and, in equity and fair dealing, they are not entitled to one

dollar of this sum. Their only claim to it rests upon legal enactments procured by venal legislation, or rendered necessary by their refusal to give to the government in the hour of its need that just and reasonable service and support that it was their duty to cheerfully render. Notwithstanding this, the people are willing to fulfill all the legal financial obligations of the government, by discharging them according to the letter and spirit of the law. But the bankers and bond-holders and their allies have the audacity to call this repudiation, and brand all who advocate the policy of the government keeping faith with the tax-payers as well as the bond-holders "at home and abroad" as "vile repudiators and villains." Now, I submit to any candid, disinterested mind that has examined this subject in all its parts, whether these so-called capitalists did not in the first instance fail or refuse to perform their reasonable duty to the government, and whether their demands are not unreasonable, unjust and unwarranted by law and equity, and whether they themselves are not obnoxious to the charge of "vile repudiators and villains."

The power of this money oligarchy to oppress and despoil the industrial wealth producing classes is not limited to the national debt. The banking law clothes these parties with power to regulate the rate of interest in all business transactions and to make distribution of the products of labor between non-producing capital and labor, and it would be folly to suppose that they will not exercise it for the promotion of their own interest. The holders of non-taxed bonds and the bankers have a common interest and act together in all matters pertaining to the regulation of our national finances. They have in the past, and will in the future dictate the financial policy of the government. I venture the prediction, that if you should interrogate the Secretary of the Treasury as to the wisdom and justice of the plans recommended by him he would, (if he answered candidly,) tell you that they were the wisest and best that could possibly be devised, for he had consulted with the leading bankers, largest non-taxed bond-holders, and most intelligent business men in Wall street, New York, Third street, Philadelphia, and State street, Boston, and that by all of whom they had been most heartily approved; and well they might, for if you could go back and get at the paternity of these measures, you would find they originated with them, and were by them presented to the Secretary for his government.

It is entirely unnecessary to say anything in this connection in relation to the business and interest of the bankers and usurers, for all know that they are the mere bee-moths of society, who live by preying upon the industrial classes. But a word in reference to the business and interests of these "intelligent business men," of whose wisdom and patriotism newspapers have so much to say, and who have so much influence in moulding the financial legislation of the government, may not be amiss, for it would be very natural to suppose that they were the energetic, enterprising portion of our business community, who are engaged in the development of our resources, but not a bit of it. They are the speculators in gold, stocks, food, clothing, and all the products of labor,—standing between the producer and consumer—amassing fortunes by a species of the very worst kind of gambling. The banks will be the medium through which this centralized money power will operate; they will be located in every village and at every cross-roads, forming a complete system of financial espionage throughout the length and breadth of the land.

With their agents or spies, under the revenue system, these bankers, usurers, and speculators will be able to obtain full knowledge of the business of every miner, farmer, mechanic, manufacturer, merchant, railroad company and other enterprise in the nation. This will enable them to operate understandingly, and with their unrestricted power over the currency or money of the nation, they can make every other interest or business however important, subservient to their cupidity, and tax the industrial classes until they become as helpless as the fly in the spiders web—tax their manhood out of them.

Our law makers and government officers and agents are exposed to this

evil influence. Doubtless many of them have now a pecuniary interest in these banks and non-taxed bonds, and if these systems are continued, we shall not have many elections before this money oligarchy will have complete control of every department of the government, for it will control the primary caucuses and conventions, dictate party platforms and nominations, and no person will be permitted to occupy any place of public trust who is not in the interest and subservient to this power. Its corrupting influences in Congress are to-day greater than all others combined. The whisky ring and all other rings are as nothing compared to this power. Indeed, many members of both Houses of Congress already act more like the feed attorneys of the Shylocks than the representatives of an honest constituency. But its influence is not confined to the halls of legislation, it extends to every department of society. Instances are not wanting to prove that it is felt in the halls of justice, influencing the decisions of our courts and defeating the ends of justice.

This same power has grossly deceived or corrupted our public teachers, for not being able rationally to account for the great inequalities of wealth and condition existing in society, and being expected to furnish a satisfactory explanation in some way, they tell the people that these great wrongs are providential; that they are the mysterious workings of the providence of God; that all these evils are governed and controlled by his power and goodness.

A more false and impious charge was never uttered; for the principle of these unjust and oppressive monetary laws are forbidden, censured and condemned equally with slavery and robbery, and their authors anathematized by the word of inspired truth from the beginning of Genesis to the end of Revelation. It is the source of most of the vices and animosities of society. A standard that deprives producers of what justly belongs to them and bestows on non-producers what does not belong to them, cannot fail to corrupt society in all its branches.

Having through appeals to the fear or cupidity of our law-makers secured these unwarranted powers and privileges, these parties come now to demand the withdrawal from circulation of the legal tenders, which cost the people nothing, to make room for their bank notes, which cost the tax payers at least nine per cent. in the money of trade, or that the currency shall be contracted, under the delusive plea of a return to specie payments. If the former policy is adopted, just as fast as the legal tenders are withdrawn their place will be filled with their bank currency, for when the profits go into the vaults of the banker or the pockets of the usurer, the cry for contraction will cease.

A return to specie payments, in the present condition of the country, would be, if possible, more unjust and oppressive to the industrial classes or tax payers than the continuance of the present policy. The bankers and usurers would retain the control over the money interest of the nation, and maintain the rates of interest in all business transactions as high as they are now. The effect of this measure would be to decrease the value of labor and all its productions to about one-half their present money value, or to double the purchasing power of the dollar; indeed this is the avowed object of the advocates of this policy.

Reducing the value of labor, or decreasing the value of its products, by increasing the value of money and augmenting its power over labor and property, is to rob labor for the benefit of money or non-producing capital. If by contracting the currency the bushel of grain, yard of cloth, pair of boots, coat, hat, and other productions of labor be reduced to one-half their present price, the price of labor must fall in proportion; while if the rate of interest on the government bonds and other moneyed obligations, as well as bank dividends, remain unchanged, the value of money will be doubled, for the interest and dividends, when earned and paid, will buy double the amount of the products of labor and hire twice the number of days work. It will also practically double the pay of every assessor, tax gatherer, postmaster, member of Congress

and other officers or agents of the national government, as well as those of the States, counties and cities, for their pay will buy double the amount of the products of labor. It will be readily seen that the practical effect of this policy will be to double the taxes as well as the obligations of every debtor in the nation, and render all public offices more desirable. It is, then, not at all surprising that brokers, bankers, bondholders, and the non-producing classes generally should be the champions for the continuance of the bankers' scheme or a return to specie payments, for either plan gives them the absolute control of the moneyed interest of the nation, and the power to rob the wealth-producing classes at pleasure. Nor is it by any means wonderful that our law-makers and government officers and agents should be susceptible to these potent influences. Neither is it strange that so many of our leading public journals, without regard to their political sentiments, should be the advocates of the one or the other of these policies, for many of them are the property of these harpies, and conducted by them for the purpose of manufacturing public opinion in favor of their nefarious schemes, or directing public attention to minor and comparatively unimportant issues, while they are riveting the chains of slavery on the whole laboring population of the nation.

But it is a matter of astonishment that any of those who earn a living by honest industry, whether in production or in the distribution of the products of labor, or of the friends of justice and equal rights, should tolerate a system so manifestly unjust and unequal in its operation, and which must, as certainly as effect follows cause, condemn the whole industrial classes to lives of unremunerated toil, and ultimately reduce them to poverty, degradation and slavery.

The war has resulted in the complete overthrow and utter extinction of chattel slavery on this continent, but it has not destroyed the principle of oppression and wrong. The old pro-slavery serpent, beaten at the South, crawled up North, and put on anti-slavery clothes and established his head-quarters in Wall street, where, with an agency in every national bank, an agent in every holder of non-taxed bonds, and a spy in every tax-gatherer, he now, through bank monopolies and non-taxed bonds, rules the nation more despotically than under the old regime.

I am persuaded that a thorough investigation and careful examination into the provisions of our monetary and revenue laws will convince any candid, disinterested mind that the effect of their practical workings is and will be to give less than one-tenth of the population the power to rob the other nine-tenths of the products of their labor and talents; that under their operation the well-to-do farmers, miners, mechanics and others of the industrial classes of to-day will soon be reduced to the present status of common laborers, and those who now earn their living by daily toil to a state of positive servitude. Any system that authorizes and empowers one class to take from another class the fruits of their labor and talents without equivalent is practical slavery. I care not what it is called. When you deprive a man of the right to enjoy the fruits of his labor and talents, there is no other right which he can long maintain. The continual and pressing wants of his physical nature will soon induce mental degradation and reduce him to abject slavery; and what is true of the individual is true of the nation. And I assert, without fear of successful contradiction, that an investment of a million of dollars under the national banking law, or in the non-taxed government securities, will yield a larger net income to its owner than a like amount invested in lands and slaves employed in raising cotton and sugar did in the South in the palmiest days of the oligarchy; and it was its economical or commercial value—in other words, its profitableness, that maintained the institution of slavery in the South.

At the commencement of the rebellion, money invested in government bonds did not yield a net income of over four per cent. At the same time, an industrious, able-bodied laborer could save from his yearly earnings one

hundred and twenty dollars, which was equal to the interest on three-thousand dollars invested in government securities. The same man cannot now save over one hundred dollars, after paying the increased taxes, while the interest on the government bonds is fully eight per cent. clear of all taxes; so that the value of the man is now only equal to one thousand two hundred and fifty dollars. Previous to the war, the interest on the capitalist's million of dollars was only equal to the surplus earnings of three hundred and thirty-three laborers, while it is now equal to the savings of eight hundred men. The interest on two billion five hundred million dollars, ($2,500,000,000,) at four per cent., (the rate before the war,) would be one hundred million dollars, ($100,000,000.) The surplus earnings of the laborer was then one hundred and twenty dollars, making the interest on the amount of our debt equal to the yearly savings of .333 ~~eighty-three thousand three hundred and thirty-thr~~ee laborers. The interest on the debt, as it is now eight per cent. in the money of trade, is two hundred million dollars, ($200,000,000,) while the laborer can save but one hundred, making the interest on our debt equal to the yearly savings of two millions of men.

Thus, instead of materially bettering the condition of the freedmen, we propose by these nefarious schemes to increase the burdens of labor in all sections of the Union and in all departments of useful occupation; to practically nationalize slavery—not African, but human slavery. I find in the "American Conflict," (pages 25 and 26,) by Horace Greeley, Esq., the following unequivocal endorsement of this important truth:

"But slavery, primarily considered, has still another aspect—that of a natural relation of simplicity to cunning, of ignorance to knowledge, of weakness to power. The first man who ever imbibed or conceived the fatal delusion that it was more advantageous to him, or to any human being, to procure whatever his necessities or his appetite required by address and scheming than by honest work—by the unrequited rather than the fairly and faithfully recompensed toil of his fellow creatures—was in essence and in heart a slaveholder, and only awaited opportunity to become one in deed and practice. * *

"It is none the less true, however, that ancient civilization, in its various national developements was habitually corrupted, debauched and ultimately ruined by slavery, which rendered labor dishonorable, and divided society horizontally into a small caste of the wealthy, educated, refined and independent, and a vast, hungry, sensual, thriftless and worthless populace, rendered impossible the preservation of republican liberty and of legalized equality, even among the nominally free. Diogenes, with his lantern might have vainly looked, through many a long day, among the followers of Marius, or Cataline, or Cæser, for a specimen of the poor but virtuous and self-respecting Roman citizen of the days of Cincinnatus, or even of Regulus."

Now if the sole purpose of those who dictated our monetary and revenue systems and the financial policy of the government had been to devise a plan for reducing the wealth-producing classes of this nominally free nation to the condition of the people of Rome under Marius, Cataline or Cæser, I challenge the author of the "American conflict," or any other advocate of these nefarious schemes, to show how they could have more surely and effectually accomplished their object than by these laws as they now stand.

Like causes produce like effects, and should these unrighteous schemes become the settled policy of the government, our democratic republican institution must prove a failure, and universal suffrage a delusion. If we persist in giving to money the unjust centralizing power, it will as certainly destroy this nation as it has others in past ages. Let then the teachings of history admonish us of past errors, and warn us of impending danger before it is too late to avert the terrible calamity that must as certainly as death is to come to all the living, overtake and overwhelm us in anarchy and ruin.

THE TRUE AMERICAN MONETARY SYSTEM AND FISCAL AGENCY.

Money being necessary to facilitate the exchange of property and products and effect their equitable distribution, it is not enough to show that the present system is wrong and should be abolished, but it becomes equally important to present one better adapted to the genius of our institutions and the wants of the goverment and business interests of the people. Before proceeding to the discussion of this part of the subject, I will remark, in addition to what has already been said on the nature and properties of money, that there are but two pure forms of government, the autocratic and democratic, the one is centralization, the other diffusion. The laws adapted to the former are such as will centralize the wealth and power of the nation in the individual sovereign, those of the latter should be such as would diffuse them among the people. Money is the means by which the property of a nation is controlled and distributed, the power to make it and regulate its value is therefore, an essential attribute of sovereighty, for no government can be maintained when the sovereignty has not the authority and power to control all the property in the nation. The institution of money, on the principle of the value inhering in its material, and making it of a substance limited in quantity in order that the sovereign or few nobles may have the power to control its value is indispensible to the maintenance of the autocratic or aristocratic principles of government. Gold is, therefore, the representative of the autocratic principle of government, and is antagonistic to and incompatible with the democratic principle. We cannot maintain the democratic principle of government, unless we institute money upon such a wise and just basis that the sovereign people shall have the power to regulate the volume and control its value. A democracy is but a co-operative association on a grand scale, instituted for mutual protection to life and property and for the pure and impartial administration of justice. Its money should, therefore, be a certificate of service rendered or value given to the government or people in their corporate capacity, and which the government should receive in exchange for its bonds bearing a just rate of interest, and it should likewise be made a legal tender in the payment of all debts, public and private, that it may be fitted for the performance of all the functions of money. This is democratizing money, and is what the plan here proposed contemplates, nothing more, nothing less.

The substance of the bill is contained in the three first sections. The first provides for the institution of money or circulating medium of the country. The second relates to the management of the national debt; and the third provides for the regulation of the value of money and standard of distribution. These subjects are so intimately related, if not inseparably connected, as to render it difficult to discuss them separately. I shall, therefore, treat them as a single proposition.

It is claimed for this system, and I think it will be admitted by any person who will give to this subject that thorough investigation and careful examination which its importance demands that it is adapted to the theory of our institutions (sovereignty in the people) and in harmony with the letter and spirit of our organic law; that it will furnish a circulating medium possessing equal legal powers, a uniform value, and that will perform all the functions of money co-extensive with the jurisdiction of the law equally as well as coin, and in which each individual will have an interest to the extent of his wealth and the products of his labor, and a commensurate influence in its regulation and management; that it will be self-adjusting and furnish a currency with the necessary flexibility; for should money at any time become scarce and the rate of interest in legitimate transactions rise above the rate paid on the government securities, the bonds would be converted into money. On the contrary, should it become too abundant and the rate of interest fall below the rate paid

on the government bonds, the money would be converted into interest-bearing bonds to the extent necessary to restore the proper equilibrium; that with a just rate of interest established on the government bonds, sufficiently below the rate of increase in the national wealth as to make a fair distribution of the products of labor between non-producing capital and productive industry; laborers will receive an equitable proportion of their productions, and capital will likewise receive a just reward for its use; that it will be just in its bearings on all classes, and interests simple in its workings, and if the capacity of the people for self-government be admitted, there can be no difficulty in the way of its adoption, for it can be instituted and managed without the aid or assistance of cunning bankers and shrewd financiers. It will be seen that money thus instituted will be directly under the government of the people who produce the values it is designed to represent, measure and exchange; they can, through their representatives in Congress, control its value, and consequently its power, over labor and property by regulating the rate of interest on the government securities, into which it will be convertible at the option of the holder. This will enable them to prevent the high and fluctuating rates of interest and the violent expansions and contractions of the currency, which have caused the monetary crises and commercial revulsions that have heretofore so frequently prostrated all branches of productive industry and paralyzed legitimate enterprise, deranged the commercial business of the country, lowered the standard of commercial integrity and made us little less than a nation of gamblers. It will likewise enable them to effect the distribution of the products of labor between non-producing capital and labor equitably, according to the labor or service performed in their production. This will remove the necessity for the excessive toil which is now overtaxing the physical powers and mental energies of the enterprising wealth-producing class, and afford them the time and means requisite for social enjoyment, intellectual development and moral culture. These are the natural and inalienable rights and privileges of every human being on the globe, and of which no just government will deprive its subject or citizens.

I will now present more at length some of the more important benefits that would result to the government and people from the practical workings of this system.

First. With reference to the liquidation of the national debt. The first question presented for determination in the discussion of this part of the subject is the amount of money necessary for the transaction of the business of the country. I am aware that there exists a great variety and conflict of opinion on this point, and that we have no data that is entirely reliable to base an estimate upon, but we have, I think, sufficient light to approximate the amount nearly enough for all practical purposes. I find, from the best authority attainable, that the circulation of England is a little over twenty-five dollars per capita, and that of France within a fraction of thirty-six dollars. With us, intelligence and enterprise being more general among the people, our natural resources exceeding and our extent of territory greater in proportion to the population than in either of the countries named, we should, I think, have a larger circulation per capita than either of these countries. I therefore think it safe to estimate that under this system, which would afford the people as much or as little money as they might deem necessary, the currency or circulating medium would reach as much as forty dollars per capita. Our population is now as much as thirty-seven million five hundred thousand. Forty dollars per capita would give us a circulation of one thousand five hundred million dollars, ($1,500,000,000.) Estimating the national debt at two billion five hundred million dollars, ($2,500,000,000,) and deducting the amount that would circulate as money, would leave one billion dollars ($1,000,000,000) bearing interest. The next question presented for consideration is the rate of interest that should be paid on the government bonds. Under the proposed monetary system, the money being convertible into bonds, and the bonds into

money at the option of the holder, the rate of interest paid on the bonds would in a great measure govern the rate in all business transactions, and should, therefore, be such as would make an equitable distribution of the products of labor between non-producing capital and labor. It has been shown that if agriculture be taken as the basis of the national wealth, and the division of products between landlord and tenant adopted as the standard of distribution between non-producing capital and labor in all other departments of useful industry, the rate of interest should be but one and one-ninth per cent. per annum. As persons who have not given this subject that consideration which its importance demands may think this rate greatly too low, and that evil consequences would result from its adoption, I will present the results in the liquidation of the national debt with interest at the four several rates of three, two-and-a-half, two, and one and one-ninth per cent. Three per cent. would give capital nine-tenths and labor one-tenth of its surplus products. Two-and-a-half per cent. would give to capital three-fourths and labor one-fourth. Two per cent. would give to capital three-fifths and labor two-fifths; and one and one-ninth per cent. would give to capital one-third and labor two-thirds. As the increase in the national wealth has averaged three and one-third per cent. per annum—being estimated in kind—I will estimate the increase in the circulation at the same rate.

Assuming the whole national debt to be two billion five hundred million dollars, ($2,500,000,000,) and that one billion five hundred million dollars ($1,500,000,000) would circulate as money, this would leave one billion dollars ($1,000,000,000) to bear interest, which, at three per cent. for the first year, would be thirty million dollars, ($30,000,000.) Total, interest and principal at the end of first year, one billion thirty million dollars ($1,030,000,000;) increase on one thousand five hundred millions of currency or money, at three and one-third per cent. for first year, would be fifty million dollars, ($50,000,000.) This deducted from the total of the principal and interest of the debt would leave, to bear interest for the second year, nine hundred and eighty million dollars, ($980,000,000,) the interest upon which for the second year would be twenty-nine million four hundred thousand dollars, ($29,400,000.) Total, principal and interest of the debt at the end of the second year, one billion nine million four hundred thousand dollars, ($1,009,400,000.) Add to the currency fifty millions dollars, ($50,000,000,) the increase for first year, and the amount will be one billion five hundred and fifty million dollars, ($1,550,000,000,) the increase upon which for second year would be fifty-one million six hundred and sixty-six thousand six hundred and sixty-seven dollars, ($51,666,667.) This deducted from the total principal and interest of the debt would leave, to bear interest for the third year, nine hundred and fifty-seven million seven hundred and thirty-three thousand three hundred and thirty-three dollars, ($957,733,333.) Interest for third year, twenty-eight million seven hundred and thirty-two thousand dollars, ($28,732,000.) Total debt, principal and interest, at the end of third year, nine hundred and eighty-six million four hundred and sixty-five thousand three hundred and thirty-three dollars, ($986,465,333.) Add to the currency fifty-one million six hundred and sixty-six thousand six hundred and sixty-seven dollars, ($51,666,667,) the increase for the second year, and the amount will be one billion six hundred and one million six hundred and sixty-six thousand six hundred and sixty-seven dollars, ($1,601,666,667,) the increase upon which for the third year would be fifty-three million three hundred and eighty-eight thousand eight hundred and eighty-nine dollars, ($53,388,889.) This deducted from the total of the debt would leave, to bear interest for the fourth year, nine hundred and thirty-three million seventy-six thousand four hundred and forty-four dollars, ($933,076,444.)

This process continued for twenty years, [nearly,] will absorb the whole debt into the currency or money, leaving as the amount of the circulation at the end of that time two billion eight hundred and ninety million dollars, ($2,890,000,000.) With the rate of interest on the government bonds at two

and a half per cent., the whole debt would be converted into currency or money in nineteen years and thirteen days, leaving as the currency at the end of that period, two billion eight hundred million dollars, ($2,800,000,000.) With the rate of interest at two per cent., the whole debt would be absorbed into the currency or money in eighteen years and twenty-one days, at which time the currency or money in circulation would be two billion seven hundred and six million two hundred and eighty thousand dollars, ($2,706,-280,000.) With the rate of interest at one and one-ninth per cent., the debt would be converted into the currency in sixteen years and eleven months, nearly, at which time the amount in circulation would be two billion six hundred and eleven million dollars, ($2,611,000,000.)

But it may be objected that forty dollars per capita is a larger circulation than would be required to transact the business of the country. To meet this objection, I will present the result with the circulation at thirty-two dollars per capita. In this case, with the rate of interest at three per cent., the whole debt would pass into the circulating medium in a little less than thirty-two years. With interest at two-and-a-half per cent., the debt would be converted into currency in twenty-nine years, seven months and eleven days. With interest at two per cent., the debt would be absorbed into the currency in twenty-seven years, eight months and twenty-five days. And with the rate of interest at one and one-ninth per cent., the debt would be changed into the currency in twenty-five years and nine days.

The money in circulation at the end of the several periods named would bear the same proportion to the population, wealth and business of the country as at the time of the adoption of the system, and would be always needed for a medium of exchange, and require to be increased thereafter in like ratio with the increase of the wealth and business of the country, which increase would defray the major part of the ordinary expenditures of the government.

I come next to exhibit its effects in the diminution of the hours of daily labor. I have estimated that labor was now paying to capital eight per cent. interest or rent on twelve billion six hundred million of dollars, ($12,600,000,000.) I have shown that if this system be adopted the national debt will cease to be a charge on the tax-payers, and will, therefore, deduct it from the twelve billion six hundred million dollars, ($12,600,000,000,) upon which the producing classes are now paying interest. This will leave to bear interest ten billion one hundred million dollars, ($10,100,000,000.) With the rate of interest on the government bonds at the four several rates of three, two-and-a-half, two, and one and one-ninth per cent., the annual saving to labor would be as follows:

Interest on $12,600,000,000, at 8 per cent.	$1,008,000,000
" $10,100,000,000, at 3 "	303,000,000
Net annual saving	$705,000,000
Interest on $12,600,000,000, at 8 per cent.	$1,008,000,000
" $10,100,000,000, at 2½ "	252,500,000
Net annual saving	$755,500,000
Interest on $12,600,000,000, at 8 per cent.	$1,008,000,000
" $10,100,000,000, at 2 "	202,000,000
Net annual saving	$806,000,000
Interest on $12,600,000,000, at 8 per cent.	$1,008,000,000
" $10,100,000,000, at 1⅓ "	112,222,222
Net annual saving	$895,777,777

The saving for each secular day in the year, with interest on the government bonds at three per cent., would be..... $2.253,000
At two and a half per cent. it would be..... 2,412,000
At two per cent. it would be..... 2,575,000
At one and one-ninth per cent. it would be..... 2,862,000

There are now about seven million five hundred thousand male population over the age of twenty in the United States; ten per cent. or seven hundred and fifty thousand of them live by the interest on their money, or rents on their property, and there are about an equal number who live by banking, assessing and collecting taxes, speculating in gold, stocks and the products of labor, what is usually called living by their wits. Some of this latter class occasionally do something useful in the way of effecting the exchanges of property, but they, as a class, live pretty fast, and I think it quite safe to estimate that, as a whole, they cost the industrial classes annually, on an average, eight hundred dollars, or six hundred million dollars ($600,900,000), making the total number of non-producers or drones one million five hundred thousand, which would leave as the industrial wealth-producing class six millions, allowing them to average two dollars and fifty cents per day for 300 days in the year, it would give as the yearly product of the nation four billion five hundred million dollars (4,500,000,000), from which deduct one billion and eight million dollars ($1,008,000,000) interest and rent paid to capital by the producing classes and the six hundred million dollars ($600,000,000) paid to useless middle men—total one billion six hundred and eight million dollars ($1,608,000,000)—and you have as the producers' share of their annual products two billion eight hundred and ninety-two million dollars ($2,892,000,000), or four hundred and eighty-two dollars per capita, which would be equal to one dollar and sixty cents per day or sixteen cents per hour where laborers work ten hours.

Now, if the system here proposed be adopted and the rate of interest reduced to three per cent., it will do away with the necessity for the bankers, assessors, tax gatherers and a legion of clerks and other officers and agents of the government connected with the bank and revenue systems. It will also compel these witty fellows, as well as many of the capitalists, to at least earn a living by honest industry, and they will therefore cease to be a charge upon the industrial classes. And the whole amount to be paid as interest or rent would be but three hundred and three million dollars ($303,000,000) annually; this, deducted from the annual product of four billion five hundred million dollars ($4,500,000,000), would leave as the producers' share of their products four billion one hundred and ninety-seven million dollars ($4,197,000,000), equal to seven hundred dollars, in round numbers, per capita, or two dollars and thirty-three cents per day, or twenty-three and one-third cents per hour. Six hours and fifty-six minutes, at this rate, would be equal to ten hours at sixteen cents, showing that the producing classes would receive as much for six hours and fifty-six minutes labor under this system as they do for ten hours under the present one.

With interest at two and a half per cent. capital would receive two hundred and fifty-two million five hundred thousand dollars ($252,500,000), and the laborers four billion two hundred and forty-seven million five hundred thousand dollars ($4,247,500,000), equal to seven hundred and eight dollars per capita, or two dollars and thirty-six cents per day, or 23.6 cents per hour. Six hours and forty-nine minutes, at this rate, would be equal to ten hours at the present rate. With the interest at two per cent. capital would receive two hundred and two million dolllars ($202,000,000), and the producing classes would receive or retain four billion two hundred and ninety-eight million dollars ($4,298,000,000) of their annual products, equal to seven hundred and sixteen dollars ($716) per capita. or two dollars and thirty-nine cents per day, or twenty-four cents per hour (nearly). Six hours and forty-two minutes, at this rate, would be equal to ten hours under the present system.

With interest at one and one-ninth per cent., capital would receive one

hundred and twelve million two hundred and twenty-two thousand dollars, ($112,222,000,) and the laborers would retain four billion three hundred and seventy-eight million dollars, ($4,378,000,000,) equal to seven hundred and thirty dollars per capita annually, or two dollars and forty-three cents per day, or twenty-four and three-tenths cents per hour. At this rate the laborers would receive as much for six hours and thirty-seven minutes as they now do for ten. I have not presented the result at a rate of interest above three per cent., for the reason that I have shown that at this rate capital absorbs all the surplus products of labor, and compels the laborers to toil for a mere subsistence of food, clothing and shelter, and these in many instances of the poorest kind; and if the industrial classes ever regain their natural rights, which have been wrested from them by our iniquitous monetary laws and cunning fiscal contrivances, it will be when the rate of interest is below rather than above three per cent. It would violate no principle of equity to reduce it to one and one-ninth per cent.; and with proper organization and united effort, the wealth-producing classes have the power as well as the right to legislate so as to effect the equitable distribution of their products between non-producing capital and productive industry.

IT WILL ENCOURAGE THE DEVELOPMENT OF OUR NATURAL RESOURCES.

If this system be adopted, and the interest on the government securities reduced to such a rate as will make a fair distribution of the products of labor between capital and labor, capital will be compelled to co-operate with labor on equal terms. It must be remembered that without the co-operation of labor capital in any shape must remain unproductive. Particularly is this true of money; for money, though made of the finest gold, can render its owner no service while he retains it in his possession. To derive any benefit from it, he must either loan it for an income or exchange it for something of actual value. It would, therefore, seek investment wherever there was a promise of a greater income than that derived from an investment in government bonds. Our natural resources are greater than those of any government in Europe, and with money at the same rate it is there, mines would be opened, furnaces, mills and factories would be erected, wherever natural advantages and facilities offered; and instead of shipping our raw materials across the continent and even beyond the Atlantic, the producer and consumer would be brought side by side, and enabled to make their exchanges without the aid of useless middlemen and costly transportation. New and competing lines of transit would be constructed, and all other necessary improvements would be made, wherever they would yield a fair return on the investment. The commercial operations of the country could be conducted on a safe and honorable basis, whereas, under the present system, most of them are little less than gambling transactions. These desirable results cannot be attained by our so-called protective tariff laws, nor even by a prohibitory tariff, while the present unjust laws of distribution remain in force; for the accumulative power of money so far exceeds the increase in the national wealth by natural production that it would be sure to gather up all the surplus products of labor. I think a greater delusion never entered the mind of man than that the effect of our tariff laws are to encourage productive industry and protect our labor against the pauper labor of Europe. Their effect is directly the opposite. They protect our aristocratic money, in the shape of fallacious bank promises, against the cheap capital of Europe, cripple enterprise, and burden and oppress labor.

I have shown that if the interest on money be reduced to even three per cent., it will save to the enterprising industrial classes seven hundred and five million dollars ($705,000,000) annually, or two million two hundred and fifty-three thousand dollars ($2,253,000) daily. And with the rate at two per cent. the annual saving would be eight hundred and six million dollars ($806,000,-

000), equal to two million five hundred and seventy five thousand dollars ($2,575,000) for each secular day. Either of these sums is four times the largest gross amount we ever derived from duties on imports. Probably as much as one-third of the sum raised by our tariffs is derived from articles or products that we do not produce and therefore afford no protection.

The benefits the industrial classes would derive from the reduction in the rate of interest would not be confined to the mere increase of pay, but their savings would in a few years furnish them the means to erect the iron furnaces and mills, and cotton and other factories; for constructing railroads and canals, and making all other necessary improvements. It would also do away with the occupation of the horde of clerks, assessors, collectors and spies connected with the revenue system, as well as that of the bankers, usurers, speculators and useless middle men, who are now preying upon the industrial classes and eating out their substance. These would all be compelled to earn a living by honest industry, which would add largely to the producing power of the nation, while at the same time it would improve the morals of these drones and make them better members of society.

I speak advisedly when I say that, with capital at either two or three per cent., iron, an article of prime necessity, can be manufactured from the ores of Lake Superior and Wisconsin and the Pilot Knob and Iron Mountain, in Missouri, with the coals of Illinois. At Chicago, Saint Louis, and intermediate points in the valley of the Illinois river, to the extent necessary to supply the entire Northwest, at least without a fraction of protection beyond that afforded by the cost of transportation from Europe, and the tariff necessary for ordinary revenue purposes, and this, I am quite confident, will be found true in other localities as well as of other articles.

But while our present unwise monetary system and unjust standard of distribution between non-producing capital and productive industry are continued in force, these, and all our other wonderful natural resources, must remain a sealed treasure, and we must continue to be dependent upon nations less favored in this respect for our supplies. While if we emancipated the producing classes from the oppression and thraldom imposed on them by these iniquitous schemes, it will draw from the old world thousands of skilled miners, citizens and operatives in all branches of useful industry, and we shall enter upon a career of permanent prosperity hitherto unknown in our history, and which will enable us to become self-sustaining and independent as a nation.

Its effects in a philanthropic point of view would be equally beneficial. However praiseworthy the efforts of benevolent individuals and societies for the relief of the destitute and suffering and the improvement of the condition of society may be, they can, at best, afford but partial relief, and effect but temporary improvement. These evils are too general and wide-spread to be removed by individual or society efforts. Justice to labor will do more to relieve the destitute, to prevent crime and pauperism, to enlighten and elevate the masses and to improve the public morals than all the temperance and other like benevolent institutions and moral reform societies that were ever established. It will likewise confer greater benefits on the emancipated slave of the South than all the freedmen's bureaus and aid societies ever instituted. This subject has, then, paramount claims on, and should command the careful attention of, every true philanthrophist and christian. If we would save men's souls we must first save their bodies.

Finally, important as this system would be in a financial and economical point of view, it would not be less desirable as a political measure. It would encourage and quicken productive industry in all departments of useful occupation, and restore commercial relations between all parts of our common country; develope and harmonize that mutuality of interest which naturally exists between the different sections of our extended domain, growing out of varieties of climate and productions, which, by unwise legislation, has been

made to appear adverse and conflicting; it would interest each citizen pecuniarily in the preservation and perpetuity of the government. Dispensing its blessings impartially to all, it would make us a homogeneous family of States—one in interest, one in sympathy, and one in purpose. United by these strong ties, our Union would stand proof alike against the machinations of enemies within and the assault of foes from without.

For the purpose of exhibiting the comparative advantages of the two systems to the government and people, I will contrast the result of the practical workings of the system now in operation with the proposed plan—first, in the liquidation of the national debt; and, secondly, in the distribution of the products between non-producing capital and labor.

Our debt is now two billion five hundred million dollars, ($2,500,000,000). It is the design of those who control the financial policy of the government to convert it all into interest-bearing bonds. I will, therefore, treat it all as bearing interest. It has elsewhere been shown that the interest on the public debt now averages eight per cent. in the money of trade, and it would be folly to suppose that it will be lowered so long as the bond-holders have control of the government:

ANNUAL COST OF THE DEBT UNDER PRESENT SYSTEM.

$2,500,000,000, at 8 per cent.....$200,000,000

FOR FIFTY YEARS.

$2,500,000,000, at 8 per cent., compounded annually.....$117,009,000,000

I have shown that under the true American system the debt would be liquidated in twenty years, without the imposition of one farthing of taxes on the people; consequently, both the foregoing sums would be saved to the industrial classes or tax-payers.

2d. In the distribution of wealth or products of labor I have estimated that twelve billion six hundred million dollars ($12,600,000,000) of the property in the nation was owned by capitalists, who loaned their money or rented their property to the producing classes, and that the rate of interest averaged eight per cent. I have also shown that, under the true American monetary system, the public debt would cease to be a charge on the tax-payers, and will, therefore, deduct it from capital's share of the national wealth, which would leave to bear interest ten billion one hundred million dollars, ($10,100,000,000).

UNDER PRESENT SYSTEM.

$12,600,000,000, at 8 per cent.....$1,008,000,000

UNDER TRUE AMERICAN SYSTEM.

$10,100,000,000, at 3 per cent..... 303,000,000

Net annual saving to producing classes..... $705,000,000

With the interest at 2 per cent., the annual saving would be.... $806,000,000

With interest at 1½ per cent., the annual saving to the producers would be..... $895,000,000

OBJECTIONS ANSWERED.

Having presented some of the benefits that it is claimed would result to the government and people from the adoption of the "TRUE AMERICAN MONETARY SYSTEM AND FISCAL AGENCY," I will now proceed to answer some of the objections that the friends and advocates of the present unjust schemes will urge against its adoption.

1st. It will be objected that the money issued under this system will, like the continental currency issued during the Revolutionary War, become worthless. I will answer this objection by showing that if our ancestors, at the

close of the Revolutionary War, had adopted this system instead of the gold base fallacy, and assumed the payment of the continental currency, the debt would have been honorably liquidated and the injustice and disgrace of its repudiation avoided without the imposition of one farthing of taxes on the people. Besides, it would have furnished a uniform, reliable currency. which would have prevented the monetary crises and commercial revulsions that have so frequently deranged commercial operations, paralyzed legitimate enterprise, retarded the development of our natural resources, and robbed the wealth-producing classes of the fruits of their honest labor.

Our national debt is now sixty-six and two-thirds dollars per capita, and I will estimate the continental money at the same per capita in 1783, when our population was three million two hundred and forty thousand, which would have made the debt two hundred and sixteen million dollars ($216,000,000). The circulation at forty dollars per capita would have been one hundred and twenty-nine million six hundred thousand dollars ($129,600,000), leaving to bear interest eighty-six millions four hundred thousand dollars ($86,400,000), which, with the interest at three per cent., as in the former presentation, would have been absorbed into the currency in twenty years. With the rate of interest at two and a half per cent. in nineteen years and thirteen days, and at two per cent. in eighteen years and twenty-one days. With interest at one and one-ninth per cent. in sixteen years and eleven months (nearly). With the currency at thirty-two dollars per capita and the interest at three per cent., the whole debt would have been converted into the circulating medium in a little less than thirty-two years. With interest at two and a half per cent. in twenty-nine years seven months and eleven days. With interest at two per cent. in twenty-seven years eight months and twenty-five days. With interest at one and one-ninth per cent. in twenty-five years and nine days.

They call it repudiation and aggrairianism, and denounce as vile repudiators and villains all who advocate it, while the truth is that these so-called patriotic capitalists did themselves, in the first instance, repudiate their obligations to the government and refused to render it that reasonable service and support, which they should have cheerfully given, until the necessities of the government enabled them to extort terms that were alike unpatriotic and unjust. I have elsewhere shown, if the government shall in good faith discharge the debt according to the letter and spirit of the contract by paying the five-twenties in lawful money, that with gold at forty per cent. premium, these Shylocks will receive over fifty per cent, (in coin) more in the five years than they could have realized from their capital if the national calamity had not taken place. It is, then, audacious impudence on their part to demand anything beyond the contract;—the law gives them more than they are equitably entitled to.

The charge of agrairianism is equally groundless; the plan proposed contemplates no agrairian or other similar distribution of property, nor any interference in contracts, between capitalists and laborers nor in the usual course of business.

Looking only to the future, it leaves each individual in the possession of his present property, with the right to increase his wealth by honest industry and the employmeut of his means in legitimate business. They will raise the cry of inflation and attempt to argue that if this system is adopted money will become so plenty that it will be valueless. This objection is entirely groundless, for the reason that the plan does not propose the discounting of the notes of individuals or the loaning of money by the government on any kind of security, it only authorizes the paying of it out for services rendered or supplies furnished the government. It cannot, therefore, make money more abundant than it should be, because before the individual can get the money he must furnish the governmant an equivalent in something of real value. Besides, the money issued under this system being convertible into govern-

ment bonds bearing a just rate of interest would have a uniform and permanent value. But the real objection of these parties to this plan is, that it will destroy the present money monopoly by giving the people themselves and not a few bankers, usurers and utopian financiers the power to determine the amount of money necessary to transact their business, leaving each individual at liberty to judge for himself how he shall employ his own means—whether in money or government bonds—and if the people have not the capacity to do this, then democracy is a failure.

They will endeavor to frighten the people by the threat, that if they attempt to institute money on the principle of justice and common sense, capital will emigrate. This is simply silly. Where will it emigrate to? Will it go to Europe, where the rate of interest is only from one and a half to three per cent., subject to taxation? The producing classes have nothing to fear from the execution of this threat, and I fear there is but little ground for hoping that it will be executed. Suppose these bankers, usurers, speculators, and useless middlemen should go and take with them every bank note and gold dollar that they own, instead of a disadvantage or loss it would a decided advantage to the industrial classes or taxpayers; for the government could issue legal tender certificates, which would be a better currency than the specie basis fallacy of these parties ever furnished. Besides, the more currency the government issues the less the people will have to pay. Let them go, they cannot take with them the mines labor has opened, the farms it has improved, the factories it has erected, the houses it has built, the railroads and canals it has constructed, and the other improvements it has made. Their departure would relieve the wealth-producers from the cost of their maintenance. It would, in my judgment, be a good business operation to exchange them for second-class paupers, as the maintenance of the latter would not be so expensive.

They object to the government keeping faith with the taxpayers as well as the holders of its bonds, "at home and abroad," because, as they say, a large amount of the government securities are held by savings banks, life insurance companies, and other like institutions, in which a great number of persons—the greater portion of whom they represent to be widows and orphans—have their means invested or employed, and to whom they say good faith on the part of the government would work great hardship. How benevolent, on the part of these patriotic capitalists, to sympathize so deeply with this class, who, they say, are not capitalists. This manifestation of benevolence brings to mind the passage of scripture found in John xii, 4th, 5th and 6th verses.

I will take the liberty of calling the attention of these benevolent gentlemen to the fact that there are in the country a very much larger number of persons—among whom are an equally large proportion of widows and orphans—who toil day by day for a scanty subsistence, and who have no means to invest in savings banks or government securities, who are overburdened with taxes under the present system, and would be greatly benefited by the government keeping faith with all parties. The claim of this latter class to justice and fair dealing, on the part of the government, is equally well founded with that of the former. But it is not proposed to prevent those institutions or parties from investing their means in government securities. They will, under the system here proposed, have the privilege of taking the new bonds, bearing a just rate of interest, or the lawful money, at their election. To this no reasonable person will or can object.

It should be remembered that this government was instituted to administer impartial justice to all, and not to be the almoner of one class nor the almshouse of another.

Another of their fallacious arguments against the proposed plan is, that the "greenbacks" are mere promises to pay, and not money any more than the promissory note of an individual. Now, the law authorizing their issue declares them lawful money for the payment of all debts, public and private,

except duties on imports and interest on the public debt, and the courts have with almost entire unanimity held that they were as good money to pay judgments and liens as coin, with the aforementioned exceptions. These parties know or ought to know that the note of no individual or bank ever possessed these properties or powers, and that gold or coin is money only by virtue of law. Again, the law says not one word about these greenbacks being promises to pay; it simply declares them lawful money, as above stated, and provides that they should be in such form and bear such devices as the Secretary of the Treasury might determine.

Again, they ask with an air of triumph, do you propose to pay the debt by merely printing pictures? In reply I would say we have a national debt of two thousand five hundred million dollars, which must be represented by pictures of some kind either lawful money or interest-bearing bonds of the government, and the people must have a circulating medium to represent and facilitate the exchanges of their property and products. This, too, should bear the legal impress of the government. Now our system contemplates two machines to be run under the direction of the sovereign people—one for printing pictures bearing a just rate of interest, and the other for printing pictures declared lawful money. If the government is indebted to A in the sum of one thousand dollars and he desires the obligation discharged in lawful money, the greenback machine is put in operation; and if it owes to B a like amount and he prefers the bond or interest-bearing picture, the bond machine is set in motion. This system respects the rights of the tax-payers, and recognizes the capacity of the people for self-government.

The plan of these greenback haters likewise contemplates two machines to be run under the direction of the bankers and usurers—one for printing pictures bearing bankrupting rates of interest payable in coin and exempt from all kinds of taxes, into which it is proposed to convert the whole debt; the other for providing a circulating medium by printing pictures in the shape of fallacious bank promises, which must reach the people through soulless corporations at a cost to the tax-payers of at least ten per cent. per annum over the greenback issued directly to the people. This system disregards the rights of the tax-payers and ignores the capacity of the people for self-government.

They will also argue that to lower the rate of interest on money will raise the price of all the products of labor, and consequently will be oppressive to labor. This argument is equally groundless; for if the products of labor are high, labor will be high also. Keeping down prices by raising the rate of interest on money, is simply robbing labor for the benefit of capital. I have elsewhere shown that there are but two purposes to which the products of labor can be applied. One is to the payment of rent or interest on capital, and the other to the payment of labor. As you raise the rate of interest on money, you increase the gains of the capitalist and decrease the value of labor.

Finally, they will argue that, however beneficial the results of this system might be, the change cannot be made. That since money never has been instituted on principles of justice and common sense, it never can be. This is the argument used by kings and despots to prove that they have a divine right to rule, and that a democratic or republican government is a trespass against divine authority, and neverwill be permitted to stand, except for a brief period of time. It has just as much force and reason in the latter case as in the former.

FUNDING BILL.

The following is a copy of the main provisions of the bill for funding the debt, passed during the last hour of the late session of Congress:

SECTION 1. *Be it enacted, &c.*, That the Secretary of the Treasury is hereby authorized to issue coupon or registered bonds of the United States in such form as may be prescribed, and of the denominations of $100, or any multiple of that sum, redeemable in coin at the pleasure of the United States

after thirty or forty years respectively, and bearing the following rates of yearly interest, payable semi-annually in coin, that is to say: The issue of bonds falling due in forty years shall bear interest at four per centum, and those falling due in thirty years four and a half per centum, which said bonds and the interest thereon should be exempt from the payment of taxes or duties to the United States other than such income tax as may be assessed on the owners, as well as from taxation in any form by or under State, municipal or local authority, and the said bonds shall be exclusively used for the redemption of or be exchanged for an equal amount of any of the present outstanding bonds of the United States known as the five-twenty bonds, and may be issued to an amount in the aggregate sufficient to cover the principal of all such five-twenty bonds and no more.

SEC. 2. That there is hereby appropriated out of the duties derived from imported goods the sum of $135,000,000 annually, which sum during each fiscal year should be applied to the payment of the interest, and to the reduction of the principal of the public debt in such a manner as may be determined by the Secretary of the Treasury, or as Congress may hereafter direct.

This bill, though bearing upon its face a seeming show of fairness, is nevertheless the most unwarranted and perfidous of all the financial measures passed by Congress since the commencement of our troubles. There existed at the time no necessity for its passage. For if, as the bondholders and their allies claim, the principal of the five-twenties is legally or equitably payable in coin, then they should be so paid, and it is an implied threat or insult to the holders to ask them to exchange a six per cent. bond having an average of seventeen years to run for one bearing four and a half per cent. running for thirty years.

But if, as Messrs. Stevens, Butler, Sherman, Hendricks, Morton, and other leading men in both houses of Congress say, the principal of this class of our indebtedness is legally payable in lawful money at the pleasure of the government after five years, then it is an act of perfidy toward the taxpayers to authorize their conversion into thirty-year bonds bearing four and a half per cent., interest and principal payable in coin and exempt from taxes of all kinds.

Low as this rate of interest may appear to a people who have been robbed by paying from six to twelve per cent., it is nevertheless fifty per cent. above the rate of increase in the population and wealth of the country, and year by year the debt will become greater per capita and in proportion to the value of the property of the nation, consequently our debt, like all national debts, will become a permanent institution.

The fact that the interest is collected semi-annually only tends to increase the burdens of labor, for when earned and paid it is reloaned and goes to gathering up more of the products of labor, taking them from the producers and giving them to non-producers.

The debt itself, considered apart from its influence on the general business of the country, is a matter of small importance. But he who views it from this standpoint only takes but a very limited range of its effects on the interests and destiny of the nation.

Assuming the value of the whole property in the nation to be twenty-one billion dollars, and deducting the two-and-a-half billion of the public debt exempt from taxation, would leave the amount subject thereto eighteen and a half billion dollars. Three per cent. on this sum would amount to five hundred and fifty-five million dollars; and no well-informed person will deny that the taxes for National, State, and Municipal purposes will reach if not exceed this sum annually. The debt being a first mortgage on all the property in the nation as well as on the future earnings of labor, and as there will be no trouble in collecting the interest or loss in changing the investment, it will be the best and most desirable form of security. I therefore think it safe to assume that the rate paid on the government bonds would be at least one-half of one per cent. below what money could be obtained for on the best individual securities, making the net rates in legitimate business five per cent. Add to

this three per cent. for taxes, and you have eight per cent. as the lowest rate in business where the capital is subject to taxation. I have heretofore estimated that sixty per cent. or twelve billion six hundred million dollars of the national wealth was owned by capitalists, who loaned their money or rented their property to the producing classes.

Should the twenty billions of national wealth increase at the rate of three and one-third per cent. per annum (which is the greatest rate of increase we have had during any decade) for thirty years, the amount would be fifty-six billion dollars, while if the twelve billion six hundred million dollars of wealth belonging to the capitalist should increase at the rate of eight per cent. for the same time, the amount would be one hundred and twenty-six billion dollars, or two and one-fourth times the amount of all the property in the nation.

But the worst feature of this wicked scheme remains to be shown. The bill provides for the payment of sixty-seven million five hundred thousand dollars in coin to the bond-holders every six months for thirty years. There is not to exceed two hundred and seventy-five million dollars of coin in the nation, and an average of as much as fifty million dollars of this is hoarded or buried by private parties, leaving in circulation but two hundred and twenty-five million dollars. The amount shown by the quarterly reports of the banks and government is much below this sum.

Should the bond-holders hoard the coin received from the government, (and without doubt they will), at the end of eighteen months, when they receive the third instalment, they would hold two hundred and two million five hundred thousand dollars, leaving in circulation but twenty-two million five hundred thousand dollars, or forty-five millions less than the amount of the instalment due at the end of the next six months. The government would then be completely in their power and compelled to accept whatever terms they might think proper to dictate. Judging from their past conduct, it would be folly to suppose they would not advance the premium on coin to at least sixty per cent. This rate on the fourth instalment of sixty-seven million five hundred thousand dollars would be forty million five hundred thousand dollars. This added to the four semi-annual payments of sixty-seven million five hundred thousand dollars each, would make their total receipts for the two years three hundred and ten million five hundred thousand dollars, which is a fraction over five per cent. annual interest on their investment for the whole time. By hoarding two hundred millions thereafter they could maintain the premium on coin at sixty per cent., or higher if they chose, for the government would be compelled to purchase the coin of them or fail to meet its engagements. The premium on the semi-annual payment of sixty-seven million five hundred thousand dollars would be forty million five hundred thousand dollars, making their semi-annual receipts one hundred and eight million dollars, equal to three and six-tenths per cent. interest semi-annually, or seven and one-third per cent. per annum in coin on the whole debt.

Again, the national banking system is an important part of their cunning fiscal contrivances. The interest of the bankers and bond-holders is identical, and they will act conjointly for the advancement of their common interest. The banks will be the medium through which this money oligarchy will operate, and when once they have secured absolute control over the government, the people will become an easy prey to their avarice. They hate the "greenbacks" or people's money with a perfect hatred; they have sought by unfriendly legislation and every other means possible to discredit and render them unpopular with the people ever since their first issue. The newspapers and politicians in their interest in and out of Congress are continually harping about a depreciated currency, when the fact is that the main reason why they are not at par with gold is because they have not the same legal powers as money that gold has.

If these parties are really honestly in favor of furnishing the country with a uniform currency or money, let them enact the workingmen's bill, introduced

in Congress by Hon. S. F. Cary, into a law. This will diminish the demand for coin and destroy the gold monopoly, and before the end of twelve months the legal tender Treasury certificates will be at par with gold.

The power to make money and regulate its value is by the constitution of the United States vested in Congress. If it be true, as the gold-worshippers argue, that gold and silver is the only constitutional money, then these metals must become the exclusive currency of the nation; for the constitution gives Congress no authority to delegate this power to any class of individuals or corporations, or to authorize the issue of or permit to circulate as money any currency that is not a legal tender for all debts, public and private.

The first series of Treasury notes issued were made payable on demand and passed at par with coin or lawful money until the banks and government suspended specie or money payment, when they began to depreciate, as compared with legal money, and continued to do so until Congress made them receivable for duties on imports and declared them lawful money, when they immediately rose to par with coin and have remained so ever since.

Just as soon as the bankers and usurers get the debt fastened permanently on the country, they will demand the repeal of the clause restricting the circulation of the bank currency and the withdrawal of the legal tenders or people's money, and the substitution of the circulating notes of the banks, and the government will be powerless to resist any demand they may make. We shall then have as much as one thousand million dollars of their notes in circulation, which they will loan to the people so as to net them as much in coin as they receive on the government bonds. Estimating the whole debt at two thousand five hundred million dollars, the annual interest., at four and a half per cent. payable semi-annually, would be one hundred and thirteen million seven hundred and sixty-five thousand six hundred and twenty-five dollars; add interest received on one thousand million dollars of currency loaned to the people at same rate, forty-five million five hundred and six thousand two hundred and fifty dollars; total, one hundred and fifty-nine million two hundred and seventy-one thousand eight hundred and seventy-five dollars, equal to six and four-tenths per cent. per annum (very nearly) in coin clear of taxes. With the premium on coin at sixty per cent., the interest would be two hundred and fifty-four million eight hundred and thirty-five thousand dollars, or ten and one-fifth per cent. per annum; add three per cent. for taxes, and you have as the annual rate, in all business transactions where the loans are subject to taxation, nine and four-tenths per cent. in coin, or thirteen in currency.

It has been shown that with agriculture as the basis, the national wealth has in the past increased at but three and one-third per cent. per annum. Should this rate of increase continue for thirty years, the amount would be fifty-six billion one hundred and sixty-five million dollars; while if the twelve billion six hundred million dollars owned by capitalists should accumulate at ten per cent per annum for same period, the amount would be two hundred and twenty billion six hundred and forty million dollars, or very nearly four times the value of all the property in the nation at the end of that period. At seven per cent., capital's share would, at the end of thirty years, amount to ninety-five billion eight hundred milllion dollars, or nearly one and three-fourths times the value of all the property in the nation at that time. The increase in the national wealth would be thirty-five billions, while the increase on capital's share would be eighty-three billion eight hundred million dollars, or nearly two and a half times the whole increase in the national wealth. But it is useless to waste time in estimating results at the end of thirty years, for the industrial classes will be bankrupted long before the end of that period.

Should the capitalists' twelve billion six hundred million dollars increase at the rate of ten per cent. for ten years, the amount would be thirty-two billion six hundred and eighty-one million dollars. The value of all the property in the nation at that time would be but twenty-nine billion one hundred and forty-nine million dollars. The increase on capital's share will be twenty

billion eighty-six million dollars, or within a fraction of two and a half times the amount of the increase in the national wealth for same time. At seven per cent. capital's share will amount to twenty-four billion six hundred and eighty-six million dollars, or a fraction over five-sixths of the value of all the property in the nation. The increase on capital's share would be twelve billion eighty-six million dollars, or nearly one and a half times the amount of the increase in the national wealth for the ten years.

It will thus be seen that the practical effect of this measure will be to give to the bankers and bondholders a monopoly of the moneyed interest of the nation, with the power to regulate the rate of interest and affect the distribution of the products of labor without let or hindrance from the government or people. Should they be moderate and demand only eight per cent., the industrial classes would have to pay them annually one thousand and eight million dollars, while if the workingmen's plan should be adopted and the rate of interest on the public debt fixed at three per cent., the annual payments by labor to capital for interests and rents would be but three hundred and three million dollars, making an annual saving to the industrial classes of seven hundred and five million dollars, or a daily saving of two million two hundred and fifty-three thousand dollars. Every dollar of this sum is wrongfully taken from the producing classes, for it has been shown that three per cent. will give to capital nine and to labor but one-tenth of its surplus earnings. Every dollar of interest paid upon money is as much a burden upon labor as the taxes paid for the support of the government, and all beyond an equitable rate is legalized robbery, for the government is bound to establish such a just rate as will affect the equitable distribution of the products of labor between non-producing capital and labor.

It must be obvious to every unprejudiced mind that in the passage of this measure, under the circumstances and at the time, Congress acted more like the feed attorneys of the bondholders than the representatives of confiding constituencies; for it was a deliberate repudiation of the contract under which the debt was created, and a surrender of the rights and interests of the people into the power and keeping of a few avaricious bankers and bondholders, without affording them an opportunity of protesting against this act of vile treachery. Should this bill receive the sanction of the President, it will fasten the system of non-taxed bonds, national banks, and the other cunning fiscal contrivances of the Shylocks for plundering the people, permanently on the country.

The labor of the nation will then be brought to a common level, not by elevating the former slave to the position of a freeman, but by reducing the whole laboring population, without regard to race or color, to a condition of practical serfdom; this, too, by a rule as fixed and immutable as the law of gravitation.

In conclusion, I will propound a few questions to the advocates of the bankers' system:

1st. If it be admitted that the people are capable of self-government, are they not better qualified to judge of the amount and kind of money necessary to represent and exchange their property and products, and to fix such rate of interest for its use as will effect their equitable distribution between non-producing capital and labor, than a few shrewd financiers and interested bankers? If so, what evil consequences are to be apprehended from the adoption of the workingmen's bill, which gives them this power?

2d. If we are to have any medium of exchange besides gold and silver, is not the system of legal-tender Treasury certificates contemplated by the bill better adapted to the genius of our institutions, (sovereignty in the people), and more in harmony with the letter and spirit of the constitution, than the so-called national banking system or any system of banking that can be devised?

3d. Is the currency issued by the banks in any respect better than legal-tender Treasury certificates issued directly to the people? If not, is not the interest paid on the bonds deposited for its redemption a burden unnecessarily imposed on the industrial classes for the benefit of the bankers?

NOTE.—I omitted to say in the proper place that the one-half one per cent. semi-annually *was every farthing of the tax paid by the banks for the privilege of issuing their circulating notes or currency and for the other powers and privileges granted them by the law. All private bankers and brokers pay the same license and tax on deposits that these banks do, and the government would derive the same revenue from these sources if there was not a national bank in existence. The same would be substantially true with regard to savings banks, insurance companies and other like institutions, if they held not a dollar of government bonds. The newspapers and feed attorneys of the bankers and other blatant demagogues who argue to the contrary are either grossly ignorant of the law and facts or wilfully misstate them for the purpose of deceiving the people.*

NOTE.—I am greatly indebted to a work entitled NEW MONETARY SYSTEM, BY EDWARD KELLOGG, for much that is advanced on the subject of the nature and functions of money as well as in other parts of this pamphlet. All the quotations marked in these pages are from that excellent work, and noticing many instances in which due credit has not been given, I desire in this general way to give full credit. This work should be in the hands of every American citizen, particularly of every one who earns a living by honest industry in any useful occupation, profession or calling. It is for sale by Kiggins, Tooker & Co., 123 and 125 Williams street, New York.

3 2044 024 148

THE BORROWER WILL BE CHARGED AN OVERDUE FEE IF THIS BOOK IS NOT RETURNED TO THE LIBRARY ON OR BEFORE THE LAST DATE STAMPED BELOW. NON-RECEIPT OF OVERDUE NOTICES DOES NOT EXEMPT THE BORROWER FROM OVERDUE FEES.

Harvard College Widener Library
Cambridge, MA 02138 (617) 495-2413

WIDENER
WIDENER
FEB 10 1995
OCT 10 1997
BOOK DUE
CANCELLED